



## The First 101 Days of a Successful CFO

Since the 1st edition of this article was published two months ago we have received many thoughtful additions to our list of components identified in the original article. These additions fell into 5 main categories:

- People,
- Leadership,
- Controls,
- Operations and
- Technology.

Some had to do with the original article not effectively emphasizing certain components. Others were straight up, great new ideas. We have amended the original article and the Assessment tool to increase the emphasis and incorporate these new ideas.

A high percentage of comments related to knowing your cash position and liquidity. The light coverage these areas received in the original article, section 7) Treasury, simply wasn't enough, so we added a category solely dedicated to these components.

Nearly 1/3 of the ideas were about interviewing, assessing, collaborating and teambuilding with stakeholders. Many of these additions are included in this amended version. The one area that hasn't changed much is trying to assess staff in the first 101 days. Our philosophy is to arrive assuming the staff is awesome. As we work through the first six months and certainly within the first year it normally becomes apparent which employees are a great fit and which are not. In new situations I have found time and time again many of the staff branded as "poor performers" when I arrived turned into some of our best contributors.

Please enjoy and take advantage of this improved article. We have also updated The First 101 Days of a Successful CFO Assessment and Planning tool to reflect these changes. Thanks to all those who took the time to contribute their experience and wisdom to improve the article and tool.

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You just accepted your first role as a Chief Financial Officer. Congratulations! You have made it to the top of your profession. There is a good chance you have a post graduate degree or two, professional certifications that give you expert status in specific disciplines and more than one non-profit or professional association has benefited from your presence. It's been hard work getting qualified for this new job. You deserve it.



Even with all that preparation, we imagine you have a few butterflies fluttering wildly in your stomach. Our wish for you is great success. Maybe we can even help settle the butterflies and get you off to a great start in your new job.

We are calling this revised post *The First 101 Days of a Successful CFO*. It's a road map to assess where your efforts in the accounting, finance and treasury functions should be focused in your first 101 days.

We divided the assessment part of this process into 9 components. With good time management the assessments should take about 2 weeks of your time. Don't let that worry you. The components are areas you will become familiar with early on in your new role anyway. This formal process not only prevents you from overlooking key areas, it will save you time in the long run. These components are foundational to becoming a great CFO. Once these components are assessed you will have enough information to develop and execute a plan to get your operations in order.

The 9 components to be assessed are:

**1. Review the Corporate Strategy:** This should be done with the CEO and Board Chair. Look for completeness, consistency, communication and evidence that all parts of the strategy (or business plan) are being implemented. Take this opportunity to learn how they describe why the company exists and what they believe is important.

**2. Review Corporate Documents:** In this component make sure all formation documents are current and their requirements being followed. Review minutes from Board Meetings and the most recent audit for the same reason. After your review schedule time with each executive to follow up on questions that came up during your review and learn what their expectations of your role and department are.

**3. Review the List of Compliance Requirements:** This might be a long list that includes regulatory (i.e. tax, labor, environmental, safety) and commercial (i.e. banks, insurance, financial audits) requirements. The key issues when reviewing these include: a.) are they filed timely, b.) are you comfortable they are accurate. When your review is complete meet with your key advisors (outside accounting firm, banker, insurance broker, legal firm, etc to obtain their input on how things are going.)

**4. Conduct a Balance Sheet Analysis:** Know thy Balance Sheet is the first commandment of being a Successful CFO. I allot an over-weighted portion of assessment time to this segment. A tidy balance sheet is the solid foundation a CFO needs to build out all the value-added capabilities your team will deliver to the company.

**5. Conduct an Income Statement Analysis:** Some basic margin and ratio analysis coupled with an accounting policy review will give you a good sense of profitability, actual performance compared to plan, key accounting policies and the extent the company uses benchmarking as an improvement process technique. Know thy Margin is the second commandment of being a Successful CFO.



**6. Conduct an Cash and Liquidity Analysis:** This review includes recent cash flow reports, current liquidity and at least a one year cash forecast. Stress test the cash forecast by using a “worst case” scenario in addition to “expected” and “best case” scenarios.

**7. Review the Periodic Financial Package:** In this review look for content, timing and who is receiving the information. After this review you should have an opinion on how valuable this information is to the success of the company. Ask yourself, “Is the information we are supplying important for making key decisions in the company?” Are other departments getting what they need from your team to understand and improve their operations?

**8. Review Treasury Operations:** This review includes the cash management process, all credit facilities/terms and Risk Management practices at the company. If you are borrowing money, Know thy Creditor is an important commandment for being a Successful CFO.

**9. Review Finance Operations:** This review looks at the budget process, forecasting and investment analysis. If the Balance Sheet and Income Statement are in great shape there is a good chance your finance operations are in good shape too. This step also includes an assessment of your technology and financial systems.

Based on the current status of each component, dedicate time to develop and execute an improvement plan for each component that is not operating at peak efficiency. To help you estimate the effort required to improve each component we've developed an Assessment tool you are welcome to use.

The results of the assessment will assist you in understanding where your near-term development efforts should be focused and will help you manage your time during your First 101 Days as a Successful CFO.

Click [here](#) to take the Assessment.

During your first 101 days be mindful of the capabilities of your staff, how well your key processes work and how effective your systems are. Use the [CFO Pillars – People, Process and Systems Assessment](#) to guide you for the next 101 days of your CFO journey.

We root for your success and are here to support you. Good Luck!

To see how the Pillars of CFO Success come to life visit [www.CFO.University](http://www.CFO.University).

To take the CFO challenge and identify your path to a CFO role take our [CFO Readiness Assessment??](#).

If you are embarking on a new CFO role you may also find [The First Step on the Road to CFO Success](#) especially useful.