

EPISODE 198

UNLOCKING FINANCIAL SUCCESS: THE POWER OF FRACTIONAL CFO SERVICES FOR SMALL BUSINESSES

SYSB PODCAST WITH
ADAM RUNDLE



UNLOCKING FINANCIAL SUCCESS: THE POWER OF FRACTIONAL CFO SERVICES FOR SMALL BUSINESSES WITH ADAM RUNDLE

In this episode of the Scale Your Small Business podcast, host Jillian Flodstrom introduces Adam Rundle, the CEO of Clever Profits, a company that offers fractional CFO services to businesses of all sizes. The discussion focuses on the benefits of these services for small businesses and how they can drive growth and profitability.

Adam emphasizes the importance of understanding the financial aspect of running a business. While it's essential to have a bigger vision and make an impact, profitability is crucial for sustainability. Without a clear understanding of whether a business is profitable and why, it won't last long. Adam compares it to playing a basketball game without knowing how to score points. To ensure viability, sustainability, and long-term success, Clever Profits helps clients understand their finances and make informed decisions.

Adam highlights that business owners can start working with Clever Profits at any stage, not just when starting a business. Their services help develop financial models, projections, and evaluate the effectiveness of business activities. They emphasize the need for a financial system to organize and sort data, enabling objective evaluation of business performance. By using the same platform and format for both measurement and forecasting, clients can make better-informed decisions and improve their business outcomes.

Jillian and Adam discuss the importance of utilizing existing systems to their fullest potential rather than adding more tools. They mention the power of accounting software like QuickBooks or Xero, which can be leveraged effectively for financial management. Instead of viewing it as a burden, small business owners can optimize these tools to gain valuable insights.

Budgeting and forecasting are crucial aspects of financial management for small businesses. Adam suggests shifting the perspective from "budgets" to "forecasts and projections." They introduce the concept of the Perfect P&L, a framework that helps construct an ideal profit and loss statement. By aligning the business owner's goals, aspirations, and historical data with this framework, Clever Profits can create realistic projections and identify the gaps. Through ongoing analysis and measurement, they work with clients to close those gaps and continually improve business performance.

Jillian acknowledges that small business owners often struggle to find time to focus on financial management amidst their daily responsibilities. Clever Profits aims to help remove the noise and guide service-based businesses through specific financial challenges. While the discussion primarily focuses on service-based businesses, the principles discussed apply to other business types as well.

Overall, this episode emphasizes the importance of understanding and managing the financial aspect of a small business. Clever Profits provides fractional CFO services to help small business owners achieve profitability, make informed decisions, and drive growth. By utilizing existing systems effectively, implementing forecasting and measurement processes, and working towards closing performance gaps, small business owners can increase their chances of long-term success.

KEY TAKEAWAYS



- ✓ Understanding the **profitability of your business** and how it directly impacts its longevity is **crucial for sustainability**.
- ✓ Having a **financial system** in place to evaluate the effectiveness of business activities. By organizing and sorting financial data, businesses can gain a clear view of what is happening and make informed decisions to drive **growth and profitability**.
- ✓ Using existing platforms to their **fullest potential** rather than adding more tools to the mix. **Leveraging powerful software** can yield incredible outcomes for businesses without additional costs.
- ✓ **Budgeting and forecasting are vital components** of financial management. He explains the "Perfect P&L" framework, which helps businesses construct an ideal profit and loss statement aligned with their **goals and industry standards**.
- ✓ Analyzing historical data and considering the unique characteristics of the business, businesses can create **accurate forecasts and identify gaps** between desired outcomes and current performance.
- ✓ Daily challenges and distractions make it essential to dedicate time to **analyze financial data, set goals, and work towards** closing performance gaps.
- ✓ Adam's expertise shines as he simplifies complex financial concepts and **provides practical strategies for small business owners** to improve their financial management.