

# How Do I Know If My Business Needs A Financial Controller?

6 min read



## Key Takeaways

- **What Is a Controller and What is a Controller's Role in a Company?** Traditionally, a financial controller is a member of senior management, usually the head of a company's bookkeeping and accounting department...
- **7 Signs Your Company Needs a Controller:** If you're experiencing any of the following challenges in your businesses, then you would likely benefit from having someone on your team with the skills, knowledge, and experience of a financial controller..
- **Bookkeepers, Accountants, Controllers, and CFOs (Oh My!) How Can SMBs Afford Them All?** Financial professionals – especially those with the credentials necessary to become a controller – don't come cheap...

Running a successful business is no simple feat. You not only need to be an expert in whatever it is you do, but also in operating a business.

When an expert in any field sets out to open a business to provide a service or new product, they don't always think about the operational aspects of actually running a business, which requires skill in management, business strategy, bookkeeping, accounting, and finance – not just skills in marketing, engineering, consulting, or whatever it is that you do best.

That being said, savvy business owners can assemble strong teams of employees in their companies to provide assistance with the business-heavy parts of running a business.

In bookkeeping and accounting, **one of the first experts brought into the fold to help manage and oversee a company's finances is typically a financial controller.**

## **What Is a Controller and What Is a Controller's Role in a Company?**

Traditionally, a financial controller is a member of senior management, usually the head of a company's bookkeeping and accounting department. They are responsible for overseeing the company's bookkeeping and accounting procedures, processes, and system in addition to financial reporting, tax filing, compliance, internal controls, and assisting the company's CFO with financial strategy.<sup>[1]</sup>

Although controllers are sometimes involved in "big picture" financial strategy by supporting the CFO, typically, the controller's role is to organize, manage, and lead financial operations. In smaller businesses, the financial controller might fill additional roles, acting as both controller and CFO, taking on the strategic financial management of the business, as well. In this case, the controller might also be responsible for devising long-term financial strategy and working with investors, in addition to their operations-focused duties.

## **7 Signs Your Company Needs a Controller**

Hiring a financial controller or a CFO is not a simple decision for a small business owner to make. These positions need to be filled by highly educated and experienced individuals,

and these kinds of employees do not come at a low cost. As a result, many small business owners hold off on hiring a controller and/or a CFO for as long as possible to save money.<sup>[2]</sup>

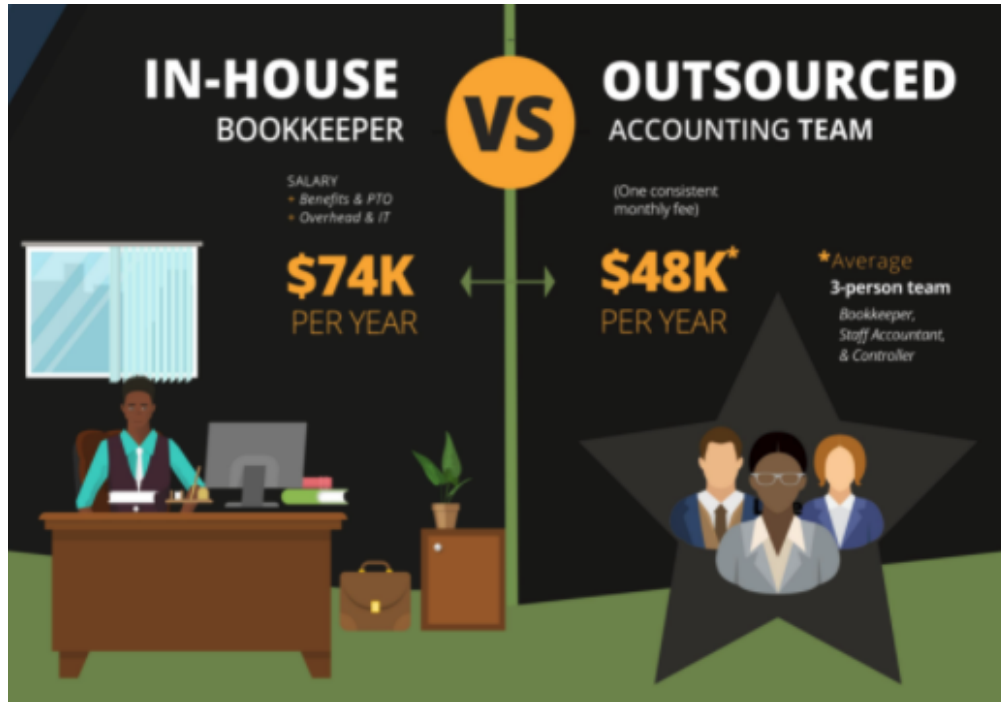
However, if you're experiencing any of the following challenges in your businesses, then you would likely benefit from having someone on your team with the skills, knowledge, and experience of a financial controller.

## **1. You're Relying Too Heavily on Your Accountant**

Many new business owners make the mistake of assuming that their accountant is there to manage the whole financial department of the business. As you now know, the role of bookkeeping and accounting oversight and management belongs to the controllers.

If you find yourself relying on your accountant to provide you with advice on how best to set up your bookkeeping and accounting system, department, processes, and procedures and to check that your processes are sound, secure, and well-managed, then you're asking them to do the job of a controller for you.

Your accountant can assist with ensuring your records are kept in a way that will streamline their job, generating financial reports and filing taxes. However, they cannot take on the role of entirely managing and overseeing your company's financial processes.



Can Outsourcing *really* help me save \$\$\$?! **The short answer- YES.** 🙌

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## 2. Your Business Is Growing

If your business is growing (opening up new locations, bringing in new partners, exploring new markets, or expanding with new product lines), then you're going to need someone to manage the bookkeeping and accounting procedures for your entire company.

Controllers provide streamlined systems, automated processes, consistency across branches, and fraud protections across branches, locations, and departments. This kind of oversight is key to having a compliant and accurate back office that provides timely financial reports that you can rely on to run your business.

**Read More:** [Signs You've Outgrown Your Bookkeeper & How It's Seriously Holding Back Your Business](#)

### 3. Your CFO Is Overwhelmed

The CFO's primary responsibilities should be focused on big-picture, long-term financial strategy for your business. The CFO's concerns should be with making decisions about how the company will use its profits, how the company will invest, and how the company can attract more investors.

If your CFO is spending too much time on operations (managing your bookkeeper, dealing directly with the accountant, or overseeing the company's accounting system), then the more important, strategic aspects of their job will get neglected or worse, completely overlooked.

### 4. You're Concerned About Compliance

One of a financial controller's responsibilities is oversight and management intended to ensure financial compliance with all the rules and regulations to which your business is subject. A controller will conduct internal audits to ensure your finances are in order. Without this kind of oversight, you could wind up paying fines, damaging your company's reputation as a result of non-compliance, or in even worse trouble.

**Read More:** [What If The IRS Knocks On My Door? How To Handle An Audit Of Your Business.](#)

Additionally, a controller will work closely with any external auditors and your external accountant during audits to ensure a smooth, quick, and painless process.

### 5. Your Financial Reports Are Always Late or Inaccurate

To run your business efficiently and make the kinds of data-driven decisions that will lead you to success, you absolutely must have accurate financial reports available any time you want them. A financial controller will establish streamlined and automated processes that make it possible for you to generate accurate, up-to-date financial reports with the click of a button whenever you need to see your company's numbers.

### 6. You're Vulnerable to Fraud

Unless you're only just beginning a startup, you likely are not the only person with a hand in the back office. No matter how much you trust your employees, operating without a controller who has established sound back-office processes leaves your company vulnerable to fraud.

Plus, you're not only at risk of suffering from internal fraud, but you could also be vulnerable to external threats without the proper IT security systems in place in your financial department.

**Read More:** [How to Avoid Having a Single Point of Failure in Your Business](#)

An experienced controller will establish systems that protect your business from both the risks of internal and external fraud.

## 7. You're Losing Time and Resources to Manual Processes

If your bookkeeping and accounting department relies on a lot of manual processes to function (track and categorize expenses, file receipts, generate invoices and payment reminders, and generate financial reports), then you're wasting valuable time and resources on tasks that could be automated. Plus, automation reduces room for human error, resulting in more accurate financial reports in addition to more timely financial reports.

## **Bookkeepers, Accountants, Controllers, and CFOs (Oh My!) How Can SMBs Afford Them All?**

Financial professionals – especially those with the credentials necessary to become a controller – don't come cheap. As a result, the sheer cost of hiring an accountant, controller, and/or CFO in addition to an in-house bookkeeper can create a price barrier for many small and medium-sized businesses. For a company's back office to run smoothly, however, it's necessary to have a complete bookkeeping and accounting team to fill out the department and handle all the necessary functions of the back office.

The simplest solution for small and medium-sized businesses that need to amp up the power and reliability of their back offices (without sinking the ship due to the high cost of in-house finance employees) is outsourced accounting.

With outsourced accounting services, SMBs can benefit from having an entire bookkeeping and accounting team (including bookkeepers, accountants, controllers, and CFOs) at their service without incurring the high cost of hiring an entire, in-house team of financial professionals. Outsourced accounting is an affordable alternative that gains your business access to financial professionals just as much as you need, so you only pay for the services your business truly needs while you have the option to scale services as your business grows.

[Click HERE To Download The Full Infographic \(.pdf\)](#)

[1] <https://www.investopedia.com/terms/c/controller.asp>

[2]

<https://signatureanalytics.com/blog/what-does-a-controller-do-and-should-you-hire-one/#:~:text=A%20financial%20controller%20can%20benefit,other%20people%20on%20your%20team.&text=However%2C%20if%20your%20CFO%20is,a%20controller%20to%20step%20in.>