

Top Outsourced CFO Services for Engineering Firms- 2023 Review

7 min read

As the saying goes, "Money makes the world go 'round," and it also keeps your engineering firm operational.



Key Takeaways

- **What Do the Top Outsourced CFO Services Provide?:** An outsourced CFO provides clients with guidance and counseling regarding your business's financial matters...
- **Does Your Engineering Firm Need Outsourced CFO Services?:** While a CFO's knowledge and expertise can be invaluable to a business, they are not inexpensive employees to hire in-house. Plus, most SMBs do actually need a CFO's full-time, 40-hours-per-week attention...
- **The Top CFO Services for Engineering Firms:** At GrowthForce, we are proud to be included among the top outsourced CFO services for businesses. We specialize in providing the team, tools, and technology...

For this reason, an essential aspect of running an engineering firm is successful financial planning and strategy.

While engineering firm CEOs strategically plan for their businesses' futures, CFOs create a financial plan designed to make the future vision financially feasible. Without the savvy financial planning that a CFO can provide, your future vision might not be affordable.

What Is an Outsourced CFO?

For most SMBs, a fully-fledged CFO isn't always affordable because these executive-level employees are typically paid large salaries and offered impressive benefits packages. Outsourced CFOs (also called fractional or virtual CFOs) provide a smart solution to this problem by offering their services as third-party, contractors, rather than in-house employees.

An outsourced CFO can be hired individually or with an outsourced accounting firm. They then provide your company with a CFO's knowledge and expertise on a part-time basis that is determined by your engineering firm's needs and budget.

What Do the Top Outsourced CFO Services Provide?

Financial Guidance and Connections

An [outsourced](#) CFO provides clients with guidance and counseling regarding your business's financial matters. An outsourced CFO is there to answer questions about your company's finances and to help you create financially-supported strategies to achieve your goals.

Additionally, an outsourced CFO can help connect you to a larger network of industry partners, affiliates, investors, employable talent, and more connections that could be valuable to your engineering firm.

Financial Management Software

An outsourced CFO can also help set your engineering firm up with a financial management software system designed to streamline your back-office processes. These advanced bookkeeping and accounting tools improve accuracy and help to ensure timely financial reports are always available to you and your outsourced CFO. With accurate, up-to-date financial data, you can generate financial reports with a click of a button and keep close track of the profit drivers in your business.

Plus, your fractional CFO can help you learn to read, understand, and use these reports to improve your business leadership skills, maximize profitability, and increase profits.

Read More: [The Most Powerful Financial Insights for Engineering Firms](#)

Cash Flow Management

Poor cash flow management is the most common reason why businesses fail. Just because your balance sheet lists a certain amount of assets, it doesn't actually mean you have the cash on hand. If you don't have enough cash available to pay your bills, cover the office rent, or pay your employees when payments are due, then you can't operate your business.

[Cash flow](#) management is all about keeping track of and managing the timing of the money that flows into and out of your business to ensure you're paying bills at the right time, collecting payments efficiently, and that you have funds available when you need them.

An outsourced [CFO](#) will help you improve your cash flow in a variety of ways such as optimizing your pricing, improving your invoicing and collections processes, making the most of your vendor payment agreements, and more.

The AEC Scorecard™: The only KPI scorecard designed exclusively for AEC Firms.



**Architecture and engineering companies struggle to know whether their projects are profitable.
This guide has the answers.**

Budgeting and Forecasting

A CFO can help you improve your engineering firm's budget with data-backed financial forecasting and strategic planning. A CFO can help you cut unnecessary costs, maximize revenue and profits, and evaluate financial trends. An outsourced CFO will work with you to assess your business's future plans and help you create a budget that's designed to help you make your future vision a reality.

Read More: [5 Habits of Top CFOs](#)

Financial Projections

Sound financial projections aren't just necessary for accurate budgeting, they're also highly useful when you're seeking funding either from a bank loan or an investor. You'll need a set of solid financial projections that you can readily support with your business's historical financial data along with the expertise of a high-level financial professional.

A fractional CFO can help you establish the bookkeeping and accounting systems to first collect the necessary data and then work with you to devise a reasonable strategy for your company. Once a plan is in place, we can provide you with the projected numbers to demonstrate why your engineering firm is a smart investment.

Strategic Planning

Whether you're ready to enter a growth phase, planning a merger or acquisition, or getting ready for a future exit from your engineering firm, you'll want an expert in financial strategy working for you. No matter what your plan for your business's future entails, an outsourced CFO can provide you with a financial strategy designed to support your plan, stay on budget, and achieve your goals.

Does Your Engineering Firm Need Outsourced CFO Services?

While a CFO's knowledge and expertise can be invaluable to a business, they are not inexpensive employees to hire in-house. Plus, most SMBs do actually need a CFO's full-time, 40-hours-per-week attention. For new startups and established businesses alike, outsourced CFO services can be an excellent solution to your financial strategy needs - especially if your engineering firm is not yet large enough to afford or truly require a full-time, in-house CFO.

As a result, outsourced [CFO services](#) are the perfect solution for most startups and SMBs. With an outsourced CFO, you can ensure the well-being of your engineering firm's financial health and strategy without having to cover the cost (likely to significantly exceed \$100,000 annually) of hiring an in-house CFO. Outsourced CFO services enable you to access a CFO's expertise as much as you need while paying an amount your business can reasonably budget for.

CFO Services Best Practices: How to Select an Outsourced CFO for Your Engineering Firm

If you are looking for an outsourced CFO for your engineering firm, then it's vital that you select the right person or provider to meet your needs. Not all CFOs are the same, and certain outsourced CFOs will be much better options compared to others to work with your firm.

There are two main factors that you should consider when selecting an outsourced CFO: functional knowledge and industry experience.

Functional Knowledge

An outsourced CFO's functional knowledge represents their ability to meet your company's specific needs. So, in order to assess an outsourced CFO's functional knowledge, you need to have a clear idea of the goals you have for your CFO and specifically what you want them to help your business with.

For example, is your startup's burn rate currently unmanageable? Are you entering a growth phase and need help strategically planning your budget to accommodate the growth? Is your

business in need of financing or investors? Are you about to undergo a merger or acquisition? Have you been experiencing cash flow challenges? Are you planning on selling or exiting your business soon?

Depending on your business's current circumstances and your future plans, you'll want to choose an outsourced CFO with the ability to expertly guide you through the specific challenges that your business is facing.

Read More: [Why You Should Outsource Your Engineering Firm's Back Office](#)

Industry Experience

The second, but no less important, factor to consider when choosing an outsourced CFO is their experience working with businesses in your industry and with companies that are similar to your own. Engineering firms face unique challenges as a result of being service-based businesses in the AEC industry, and you'll want to choose a CFO who has the experience to anticipate, understand, and readily provide smart solutions to your firm's problems. Additionally, this kind of industry experience enables an outsourced CFO to better identify and leverage opportunities as they arise.

The Top CFO Services for Engineering Firms

At GrowthForce, we are proud to be included among the top outsourced CFO services [1] for businesses. We specialize in providing the team, tools, and technology to deliver exceptional outsourced bookkeeping, accounting, controller, and CFO services to small and medium-sized, service-based businesses in the AEC sector, including engineering firms. To learn more about our outsourced CFO services and how we can help you make data-driven decisions to grow your business, we welcome you to reach out today.

[1] <https://www.saasceo.com/cfo-services/>