

What's the Difference Between a Financial Controller and a CFO?

5 min read



In a business, the chief financial officer (CFO) and controller work closely together. However, their roles differ quite a lot.

Key Takeaways

- **CFO vs. Controller: What's the Difference?:** The primary differences between a controller and a CFO can be found in...
- **Can a Company Have a CFO and a Controller?:** The most successful businesses have both a CFO and a controller, and most larger businesses do have...
- **Meeting Your Business Needs With Outsourced Controller Services:** With an outsourced controller and accounting services, SMBs can access all the knowledge and expertise of highly experienced financial professionals, anytime without...

In this article, we'll take a close look at the roles and responsibilities of both CFOs and controllers, to help you determine which financial management positions your company needs to ensure you benefit from both a well-run back office and financially sound strategic planning.

CFO vs. Controller: What's the Difference?

The primary differences between a controller and a CFO can be found in the separate roles and responsibilities of each position, in addition to where they fit into a business's employee hierarchy.

1. Organizational Hierarchy

A CFO and a controller are on different levels within a company's organizational hierarchy (or on its org chart).

The CFO is an executive, working in the c-suite along with the CEO, COO, or any other executive-level employees.

A controller, on the other hand, is in middle management, a department head.

The controller is typically in charge of managing the bookkeeping and finance department, while the CFO is in charge of managing a company's finances in general.

Read More: [How Do I Know If My Business Needs A Financial Controller?](#)

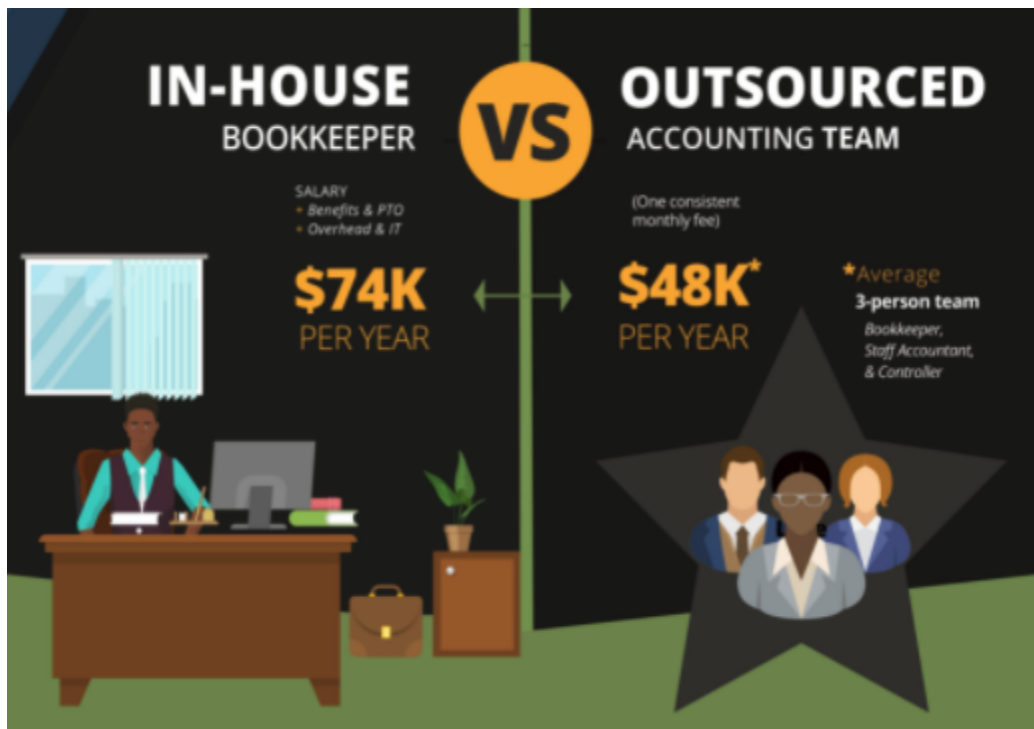
2. Job Scope, Purpose, and Goals

In addition to existing on different management levels, the purpose, scope, and goals associated with the job of a CFO and that of a controller differ vastly.

The two, of course, must be aligned in the company, working toward the same goals, but their positions fill different roles and serve different purposes that are necessary for achieving those unified goals.

The role of the CFO is primarily future-oriented. The CFO uses their financial knowledge to forecast and strategize for the business's future, promote growth, and advise stakeholders. They should be able to identify financial risks and implement plans to shelter the company from them. The CFO's leadership helps guide the company in the right direction using their insights and financial savvy to see the story or meaning behind the business's numbers and then to help the CEO make decisions based on the financial data.

The controller's role is more hands-on in that they're responsible for creating, implementing, and overseeing the functional policies and procedures that collect, record, and report financial data. Without a controller, a CFO cannot do their job. Additionally, the controller's careful oversight ensures sound back office procedures that maintain regulatory compliance and protect the company from fraud, while also improving the timeliness and accuracy of the company's financial reporting.



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3. Daily Responsibilities

Since the scope of the controller and CFO positions in a company vary so greatly, the daily responsibilities of each do so too.

The daily responsibilities of a CFO are focused on managing the bigger picture, forecasting, and making strategic decisions to steer the company in the right direction. Some of these responsibilities include:

- **Financial Strategy and Forecasting**
 - Evaluating the company's historic and present financial reports
 - Financial forecasting
 - Identifying efficiencies and inefficiencies to improve operations and profit margins
 - Forecasting possible futures (best, average, and worst-cases) and outlining appropriate action plans for each
- **Financial Management**
 - Making recommendations for reinvestment of profits
 - Assessing debt and equity (overseeing capital structure)
 - Analyzing and solving problems related to capital structure

Read More: [Costs of Outsourcing Controller Services for Small Businesses](#)

The daily responsibilities of a controller are focused on devising, implementing, and overseeing the policies, procedures, technology, and tools that comprise the company's bookkeeping and accounting system. Some of their responsibilities include:

- **Management**
 - Supervising accounting department operations and staff
 - Maintaining sound bookkeeping and accounting policies, procedures, and processes
- **Transactional Oversight**
 - Automating and maintaining a current record-keeping system
 - Overseeing accounts receivable and payable
 - Overseeing payroll
 - Providing checks and balances for account reconciliations
 - Maintaining the chart of accounts
- **Report Preparations**

- Implementing regular month-end closings
- Generating timely, accurate, and relevant financial reports
- Creating an annual budget and annual report
- Reporting budget variances
- Measuring and tracking key performance indicators
- Identifying ways to improve business performance and providing financial analysis to assist management with decisions
- **Regulatory Compliance**
 - Staying audit-ready and tax-ready
 - Working with external auditors
 - Working closely with CPAs for tax filing

Can a Company Have a CFO and a Controller?

Absolutely! The most successful businesses have both a CFO and a controller, and most larger businesses do have both on staff.

The trouble is that many small and medium-sized businesses simply cannot afford to cover the cost of hiring qualified individuals to fill these high-paying positions.

However, going without the oversight of either a company's financial operations or its financial strategy – let alone both – can leave a business with serious cash problems, wasted money, operational inefficiency, data inaccuracies, reporting issues, a lack of clear direction, and countless additional problems that can all result in the business coming face to face with unnecessary challenges.

So, how can small and medium-sized businesses cover all of their financial bases?

Meeting Your Business Needs With Outsourced Controller Services

Outsourcing all or part of your company's controller needs is the perfect solution for small and medium-sized businesses that require a high-powered back office but can't afford to fill the high-level jobs in-house.

With an outsourced controller and accounting services, SMBs can access all the knowledge and expertise of highly experienced financial professionals, anytime without covering the cost of their full-time salaries and benefits.

With high-quality outsourced accounting services, business owners can leverage the power of a robust, fully functioning back office while only paying for the services, time, and people that are actually needed. As the business grows, outsourced accounting services can, too.

This scalable solution is both smart and affordable, which makes it the perfect choice for SMB owners who want their back office to start working for them, rather than experiencing the constant strain of trying to work for their back office.



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