

The Changing Role of the CFO

Maintaining the fiscal health of your company is a team effort, and with changing technological capabilities and market conditions, the roles of all the executive team members continue to evolve. The [CFO and the controller](#) are the principle players who manage day-to-day financial operations; the CFO is responsible for keeping the company on track by aligning internal operations with external market conditions, while the controller manages the daily operations to keep cash moving in and out to fuel operations. For some companies, especially smaller operations, the functions of CFO and controller tend to blur, so in the next two blog posts we want to outline the roles of [CFO and controller](#) as they have evolved today.

Traditionally, the CFO has been responsible for providing executive management and the board of directors with financial data gathered from both outside and inside the organization. They were not responsible for strategy as much as they were for directing financial operations as a means to achieve business goals based on financial operations.

With the advent of the Web and more sophisticated computer technology, access to financial information is readily available to all decision-makers, so the role of the CFO has changed. These days, the CFO is still responsible for measuring financial achievements against the plan, but they are more involved in the strategic formulation process, setting goals and objectives as part of the executive team.

Still, there are a number of functions that remain part of the CFO's role, including:

- Develop, coordinate, and evaluate financial programs and supporting IT systems for budgeting, tax planning, asset conservation, etc.
- Manage improvements and automation of financial and management information systems.
- Ensure compliance with local, state, and federal budgetary reporting requirements.
- Establish major economic objectives and policies for the company, and prepare reports that outline the financial position, i.e. income, expense, and earnings based on past, present, and future operations.
- Oversee approval of processing of revenue, expenditure, and position control documents, department budgets, mass salary updates, ledger, and account maintenance and data entry.
- Develop and implement strategic business and/or operational plans, projects, programs, and systems.
- Develop and implement finance, accounting, billing, and auditing procedures.
- Coordinate the preparation of financial statements, financial reports, special analyses, and information reports.
- Analyze cash flow, cost controls, and expenses to guide senior management, including identifying potential weak spots
- Provide consultative support to other managers, offering financial and management

information analyses, reports, and recommendations.

- Ensure records systems are maintained in accordance with generally accepted auditing standards.
- Oversee accounting departments, budget preparation, and audit functions, including meeting with department heads to offer direction.
- Direct the preparation of all financial reports, including income statements, balance sheets, reports to shareholders, tax returns, and reports for government regulatory agencies.
- Assist in obtaining the necessary licenses and insurance required to start a business.
- Monitor long-range economic trends and projects company prospects for future growth in overall sales and market share, as well as opportunities for acquisitions or expansion.

There are other responsibilities as well, but today's CFO assumes a much more strategic role than in the past, providing insight and guiding operations by aligning internal operations with external market conditions. Managing day-to-day financial operations falls to the controller, and we will explore the role of the controller in our next blog post.

We welcome feedback from our blog visitors. If you have a question about your financial operations or how to align your operations with business objectives, [drop us a line](#). We are here to help.