

Welcome to DMG Worldwide!

The Small business owner path to independence and financial freedom comes with many obstacles to overcome before seeing the dream fulfilled. In the US, small businesses make up 53% of the workforce with 95% having 10 or less employees. Yet, the failure rate for the 1st year in business is 20% and exceeds to over 50% by the fifth year, with the number one cause being lack of cash flow.

DMG Worldwide is an Accounting firm who specializes in helping Small Businesses and Entrepreneurs with their accounting and cash flow management needs. At DMG, we believe the

small business community should have access to financial partners who have the skill-set to avoid failure and financial ruin but move on and upwards to success and more importantly, realizing his or her dreams of financial freedom.

BUSINESS OWNERS WE SERVE:

- ✓ Has the desire to work with an experienced team of trusted advisors and financial experts.
- ✓ Wants to develop a greater financial insight of the company's performance using advanced technology, analysis, processes and workflows.
- ✓ Desires to create financial freedom for themselves by taking the company to the next level.
- ✓ Have revenues between 1 million and 40 million across multiple market segments and industries.



For more information, please visit

dmworldwideinc.com



For high-quality fractional CFO services, please contact us. At DMG, we provide CFO services on an as-needed, contractual basis as well as provisional or temporary services. Our seasoned professionals can help you deal with your problems, grow your business, and/or fill the gap left by a valued employee.

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DMG
WORLDWIDE
DRIVEN BY EXCELLENCE

Fractional CFO



YOUR FRACTIONAL CFO

If your company is up to \$50MM in annual revenue, you probably want to hire a full-time CFO. If your annual revenue is less than that, but above \$500K, then you would likely benefit from fractional CFO services.

What Does a Fractional CFO do for a Company?

Fractional CFOs are often brought into an organization when there are financial challenges that the company's existing team does not have either the skills or manpower to overcome. In many cases, a company does not have an in-house CFO. In some cases, however, the company may have an existing CFO, and the fractional CFO acts as a partner or advisor or helps lead separate projects such as raising capital or navigating an audit.

A fractional CFO is often brought into a company to help overcome specific financial challenges such as:

- Cash flow issues
- Low gross margins
- High expenses
- Outgrown existing systems
- Need to make cost cuts
- Navigating an audit

Create Forward-Facing Financial Visibility

A fractional CFO helps determine how to get you from where you are to where you want to go. Growing a business requires strategic use of capital. For many fractional CFOs, one of their most important contributions will be providing a financial forecast that will act as a blueprint to achieve the growth in the most efficient, accelerated, and sustainable way possible.

With a short-term (next 90 days), mid-term (rest of this year), and long-term (next 3-5 years) view of the business, a company can better anticipate its trajectory and cash position or requirements. It can make it easier to manage through the lean times, help determine when and how to secure loans or investments, anticipate future owner compensation, and help plan and prioritize future business decisions such as staffing, production, geographical expansion, etc.

Fractional CFOs can help companies:

- Develop detailed short-, mid-, and long-term financial forecasts
- Prepare budgets based on forecasts
- Analyze potential future products, services, markets, and customer segments

Helping Manage Growth

Fractional CFOs are also helpful in scaling a business, ensuring profitable growth as the business becomes more complex. This work involves reinventing the tools, processes, and vendor relationships the business uses to deliver value to an ever-growing and increasingly diverse set of customers.

Fractional CFOs can help companies:

- Develop existing employees and hire new ones that bring essential knowledge and skills
- Implement systems that will support sustainable growth
- Improve visibility and analytical capabilities to convert large amounts of data into actionable information
- Explore causes of revenue leakage, cost overruns, and operational friction in a growing business and develop potential solutions

5 WAYS TO USE FRACTIONAL CFO SERVICES TO YOUR ADVANTAGE.

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1. Redesigning the entire accounting process.

When you bring in an experienced fractional CFO, you're not only getting someone with helpful knowledge; you're getting someone who can implement processes which have been proven to work in other organizations. You might be surprised by the number of errors which can be eliminated and how much your financial team efficiency can improve.

2. Overhauling reporting.

Many organizations lack financial clarity because they don't get the right reports on a regular basis. A fractional CFO service will often come in and adjust or completely rebuild weekly, monthly, quarterly, and annual reports to deliver data which informs decisions. This may involve tracking new or different Key Performance Indicators (KPIs). The KPIs to watch often vary by industry and business size/growth stage, so look for a resource with experience in your industry if possible.

3. Replacing technology platform(s).

CFOs are often called on to audit and/or replace financial software platforms which should streamline processes and enable a business to scale. That's a tall task and one that will have long-term implications, for good or bad. These fractional CFOs are tasked with implementing and integrating all the solutions required for financial insights and tax compliance.

4. Navigating a cash crisis.

It is not uncommon for small businesses to seek CFO services when their backs are against the wall. A top-notch fractional CFO has been in the trenches before and can jump in and prioritize tasks by greatest impact to keep the lights on. The fractional CFO can also put cash management controls in place to ensure the business is never blindsided by a cash crisis again. These controls give you the time to respond if a crisis is on the horizon.

5. Raising capital.

Some fractional CFO service providers may be willing to hit the road with you as you pitch to angels and VCs. Others can prepare your financials in a way that will attract capital, even if they don't actively participate in those pitches and negotiations.

Helping Achieve Goals

A fractional CFO is also often brought into an organization to help achieve a particular goal, such as raising capital or preparing for a sale, merger, or acquisition. Most fractional CFOs have helped raise hundreds of millions of dollars of debt and equity funding for multiple companies, and have helped oversee a number of mergers and acquisitions.

In these cases, a fractional CFO is helpful in:

- Getting books in order
- Producing financial forecasts
- Bringing expertise and validation to the company
- Sitting in on board meetings
- Helping with strategic relationships
- Analyzing term sheets and contracts
- Overseeing due diligence

THE NUTS AND BOLTS OF A FRACTIONAL CFO SERVICE ENGAGEMENT

If you think a fractional CFO service might be a good fit for your organization, you may be wondering how that relationship would work in practical terms. Here are some of the most common questions asked about hiring fractional CFOs:

How many hours do fractional CFOs typically work?

Fractional CFOs may work anywhere from a half day per month to two days per week.

How much will I pay for fractional CFO services?

Expect to pay between \$175 and \$300 an hour for a good fractional CFO depending on what company you go with and where they're located.

When would be the best time for a seasonal business to bring in a fractional CFO?

It might be good to bring in a fractional CFO during peak season because he can be available in the heat of the moment. Conversely, it may be better to bring in a fractional CFO during your downtime because you'll get more value during slower months.

What are the first few tasks a fractional CFO should complete during a cash crisis?

Here are the first four tasks a fractional CFO service provider might complete to help you keep the ship afloat.

1. Establish cash management tools (weekly, six, or 13-week cash flow projections) to understand the severity of the situation and forecast a projected duration.
2. Identify and present options for generating cash (stretching payables, selling, pulling in receivables, etc.). This task will include prioritizing actions for preserving and producing cash.
3. Repeat actions daily or weekly depending on the severity of the crisis.
4. Once the company is back on its feet, the CFO will establish reporting to provide a more advanced warning mechanism so that you can adjust quickly enough to avoid another crisis.