



# CONSIDERATIONS FOR THE FIRST 100 DAYS

## A Guide for New CFOs

### About the Author



Paul Ruh is a Managing Director with Alvarez & Marsal in Denver, with more than 30 years of finance and accounting leadership experience including over 20 roles as interim CFO for publicly and privately held companies.

A strong start can arm a new CFO with the information and insights he or she needs to drive value and improvement across the organization. When we start a new CFO assignment, we focus on the following activities over our first 100 days to quickly come up to speed, build relationships and establish credibility to enable results.

### Strategies and Immediate Priorities

- Spend as much time as possible with the CEO to understand priorities and expectations; build relationship and alignment
- Understand the key revenue and expense drivers, as well as competitive dynamics
- Understand capital markets behavior in relation to various value creation strategies; understand value creation levers
- Review current strategic and business improvement initiatives, status and priorities
- Meet with business unit leaders to understand products and markets; build rapport
- Meet 1:1 with other executive leadership team members to understand their point of views for their functional areas and for finance and accounting function
- Determine and schedule stakeholder meeting priorities - customers, investors, analysts, lenders, etc.
- Meet board members/committee chairs
- Get introductions to third-party service providers - legal, auditors, consultants, public relations, etc.
- Review governance and control charters and policies, including board committees, Foreign Corrupt Practices Act (FCPA), delegations of authority, etc.
- Review current legal entity structures and rationalization

### F&A Organization

- Review organizational charts, locations, roles, responsibilities and spans of control
- Meet 1:1 with all direct reports to understand their current priorities and initiatives
- Understand personnel capabilities and gaps
- Assess current-state reporting structure
- Understand and assess current-state shared service and outsourcing models; identify opportunities for improvement
- Develop initial organizational design and resource requirement hypotheses

### Reporting and Forecasting

- Review current internal / external reporting, budgets, forecasts, dashboards
- Assess current performance metrics and benchmarks
- Review current accounting close and review calendars
- Review internal documents, auditor letters, initiative status updates, etc.

- Review other calendar-sensitive dates - SOX compliance testing, analyst calls, industry forums, etc.
- Review Reporting quality assurance controls, including those for data and consolidation
- Review all reporting required to meet management, fiduciary and regulatory requirements
- Understand controls around statutory, tax, environmental and other governmental reporting requirements
- Assess current reporting processes and identify gaps and improvement opportunities
- Understand current budgeting and forecasting processes and timing
- Assess opportunities to improve current financial planning and analysis (FP&A) processes and reporting to improve internal service levels

## Accounting Processes and Controls

- Review and understand key accounting and valuation policies
- Review and understand control environment for all transaction cycles and geographies
- Understand current SOX testing program, documentation and remediation of exceptions, reporting of results
- Understand internal audit charter, audit plan and timing, handling of exceptions
- Understand current transactional and close processes for all record to report activity
- Identify gaps, bottlenecks and opportunities to improve transactional and close processes
- Understand revenue cycle processes, controls and improvement opportunities relating to all contract to cash activity
- Understand expenditure cycle processes, controls and improvement opportunities relating to all procure to pay activity
- Understand current procurement strategies, supplier rationalization, competitive bidding and purchase order processes
- Understand capital budgeting and appropriation, authority for expenditures (AFE) process and document flow, project accounting and controls
- Understand inventory processes and controls, including receiving, transfer and consumption accounting
- Understand payroll processes and controls, including cost capture and distribution, accruals, taxes, etc.

## Treasury and Cash Management

- Review current cash management and investment processes, including forecasting, repatriation, investment policies, etc.
- Review global banking ownership, architecture and controls
- Review and assess intercompany cash transfer policies and controls, functional currency considerations
- Review working capital metrics and identify improvement opportunities in underlying processes, controls and benchmarks

## Risk Management

- Review current insurance programs and timing for renewals
- Understand and evaluate commodity and interest rate hedging policies and risks
- Understand and evaluate credit policies and collection risk
- Identify net monetary asset exposure based on market and current hedging protocols

## F&A Systems

- Understand and assess the status of in-flight projects, including controls and potential impacts on reporting
- Review overall F&A systems strategies, current initiatives and roadmaps
- Assess network security, data security and backup, application controls, disaster recovery, etc.
- Review system architecture and integration
- Develop opportunities for improvement in current F&A systems path and strategies

## Tax

- Understand intercompany arrangements between foreign affiliates
- Understand tax audit cycles, current audits, markets subject to audit, and other tax contingency/risk matters
- Meet with international compliance function, tax planning and transfer pricing personnel
- Understand domestic and foreign audit strategies
- Understand transfer pricing strategies
- Determine level of integration in tax planning and reporting functions between geographies

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