THE FINANCE SEAT · FOR IMPLEMENTERS

The Implementer's Finance Field Guide

How to recognize a finance problem from the facilitator's chair, name it in language the room accepts, and route it — without becoming the accountant.

How to use this

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> *You are not there to fix the finance function. You are there to see it clearly, say what you see, and make sure the right person owns it. That is the whole of your part in it.*

1

Finance problems arrive wearing other labels

Almost no leadership team brings you a finance problem. They bring you a Rock that keeps slipping, an Issue that will not stay solved, a People debate that gets heated every quarter. You work it the way you would work any issue, and it moves. Six weeks later it is back, looking slightly different.

This is not a flaw in the system, and it is not a facilitation problem. It is an input problem. Every component assumes the numbers are trustworthy. The Scorecard assumes accurate measurables. Rocks assume progress can be measured. Planning assumes the team knows what it can afford. When the finance function is weak, all of it wobbles at once, and because it wobbles everywhere it never looks like one cause.

The translation table

What the room calls it	What it often is
A Rock that keeps slipping	The data the Rock depends on arrives too late to act on
An Issue that will not stay solved	The team is arguing from two different sets of numbers
An accountability problem	No one actually owns financial outcomes — only bookkeeping tasks
A sales problem	Revenue is fine; margin or collections are the leak
A hiring debate that reopens quarterly	Nobody can model what the hire costs against what it returns
A Visionary who won't commit to a number	The number has been wrong before, so committing feels reckless

> *When the same Issue returns for the third quarter running, stop working the Issue and start checking the numbers underneath it.*

2

The six links

Finance in a growing company is a chain, not a department. Five of the six links are strictly sequential. Each depends on the one before it, and investment in a later link while an earlier one is broken produces nothing. That is why companies can spend real money on finance and get no clarity back.

The main line	What it produces	Broken when
Books	A complete, categorized record	Transactions are miscoded or months behind
Close	Final numbers on a set date	"Closed" figures still get revised weeks later
Scorecard	Weekly measurables the team believes	The finance rows get a caveat every week
Insight	Why the number moved	Reports show what happened, never why
Decisions	Choices made from the numbers	The team decides on instinct, then checks later

Cash is the sixth link, and it runs in parallel

Cash does not wait its turn. A thirteen-week forward view is built from the bank balance and the receivables aging, both of which exist whatever state the books are in. It is the one link you can and sometimes must build out of order.

> ***Cash overrides the sequence.*** *If payroll is a question, a covenant is close, receivables have stretched, or nobody can say what the balance will be in a month — build the forward cash view this week and fix the close alongside it. A company sixty days from empty cannot wait on a close project.*

Absent that trigger, walk the main line in order. The first link that fails is the real constraint, and everything downstream of it is a symptom you can safely ignore until it is fixed. In most companies you will stop at Close or Scorecard.

3

Four levels, and what each one costs

Capability moves through four levels, each a prerequisite for the next. Knowing the level tells you what to ask for next, and what not to ask for yet.

Level	What's true	What it costs the company	The next step
Reactive	Books are late and disputed. Finance answers after the fact.	Every decision waits on someone to go find out.	Get a real close, on a set date.
Accurate	Numbers are correct and on time, but backward-looking.	The team knows what happened, not what to do.	Put two or three trusted measurables on the Scorecard.
Managed	Measurables are trusted weekly and reporting is on a rhythm.	Insight depends on who is asking and how hard.	Tie reporting to Rocks and the plan.
Strategic	Finance shapes the decision before it is made.	—	Protect it. This is the seat working.

A company at Reactive that engages Strategic-level help gets a disappointing engagement, a leadership team that concludes finance support does not work, and the real constraint left in place for another two years.

Size sets the response

Two companies at the same level can need completely different things. Pair level with scale before suggesting anything; the delivery routes are in Section 7.

Rough scale	What the seat usually needs at Reactive or Accurate
Under about $5M	Structure more than headcount. Often the existing bookkeeper plus outside review.
About $5–20M	Where the controller gap bites hardest. Usually fractional or outsourced first.
Above about $20M	Complexity is real. A dedicated internal seat becomes defensible, with oversight above it.

> *Match the help to the level and the scale. A company at Reactive needs a close, not a dashboard.*

4

Before the session

Ask these of whoever holds the finance seat, one to one, before any of it reaches the leadership team. Two reasons. However carefully it is asked, a run of pointed finance questions in front of the leadership team lands on the seat holder as an audit, and the seat holder — who is often long-tenured, or carrying finance alongside another role — becomes the problem in everyone's mind instead of the structure. And you want to know the answers before the room does, so you can choose how to frame them.

The answers matter less than the hesitation before them, and less than whether they have to go and look something up.

1. What date do the books close, and did they close on that date last month?

Testing for a standard, not a number. "Usually around the middle" means there is no close discipline, only a bookkeeping habit.

2. Which number on the Scorecard would you defend if the team challenged it?

A confident answer means at least one link holds. A long pause means the measurables are decorative and the weekly meeting runs on numbers nobody stands behind.

3. What is the cash position eleven weeks from now?

Anyone can read a balance. A forward view means someone is managing cash rather than watching it. If the answer is today's balance, treat cash as the live issue.

4. What drove the change in margin last month?

Separates recording from insight. "Revenue was up" is not an answer. If nobody can explain the movement, the company is flying on a lagging instrument.

5. What decision in the last quarter did the numbers actually change?

The end of the chain. If nothing comes to mind, finance is producing reports rather than informing the business, whatever those reports cost.

> *Ask all five in one sitting. The pattern across the answers gives you the level; any single answer only tells you about one link.*

5

Two more, depending on the business

These two decide whether the numbers mean anything at all, and they matter more than close speed in the businesses where they apply. Neither is a finance-jargon trap; both are plain questions with revealing answers.

Are these books on a cash basis or accrual?

Cash-basis books in a business with deposits, contracts, or work in progress produce numbers that are precisely wrong. Revenue lands when the money arrives rather than when it is earned, so a strong month can be last quarter’s collections and a weak one can be a customer paying late. No amount of close discipline fixes this. If the company runs projects, holds inventory, bills in advance, or carries meaningful receivables and is on cash basis, the answer is not for you to give. Changing basis is a tax accounting method change their CPA owns. Your job is to ask the question, and to make sure it reaches the accountant — many companies have never had the conversation.

Can you see margin by job, project, or customer — or only in total?

Company-level gross margin tells a contractor, agency, or project shop almost nothing. The money is won and lost on individual jobs, and averages hide the bleeders. "We know our margin is thirty-two percent" plus "we can’t tell you which jobs made it" is the signature of a business about to be surprised. When margin is drifting and nobody can say which work caused it, job costing is the gap — not the close.

> *A clean close on cash-basis books, or on books with no job costing in a project business, produces trustworthy numbers about the wrong thing. Ask these before you praise a fast close.*

6

Naming it without owning it

There is a real risk in seeing the finance problem clearly: the room will try to hand it to you. You are the outside expert who just explained the thing nobody else could explain, and the path of least resistance is for finance to become your Issue. Resist that. The moment you own the finance function you stop being able to hold the team accountable for it.

You will have your own words for this, and they will be better than borrowed ones. These are simply phrasings that have moved the conversation toward the structure rather than the person.

Phrasings that have worked

- "This keeps coming back because we're solving it with numbers the team doesn't trust. That's the issue underneath the issue."
- "Before we set this Rock, who owns the number it depends on, and when does it arrive?"
- "You don't have a reporting problem. You have a close problem — reporting is downstream."
- "This is a seat question, not a software question."

What tends to shut it down

- Anything that sounds like an audit finding. The room hears a verdict on a person.
- Naming the person rather than the seat. The problem is almost always that the seat was never properly defined, not that the person is failing at it.
- Prescribing a specific tool or software. It moves the conversation to a purchase and away from the accountability question.

When to hand it off

Hand it off when the fix requires someone to do the work weekly rather than decide something quarterly. Diagnosis is yours; the close, the measurables, and the forward cash view belong to someone inside the company or to an outside finance partner. Make the handoff explicit in the room, with an owner and a date, or it will return to you as an Issue next quarter.

> *Your leverage is the diagnosis and the accountability, not the spreadsheet.*

7

“We can’t afford a controller”

You will hear this more than any other objection, and it is usually sincere, but it answers a question nobody asked. The company hears "controller" and pictures a salaried full-time hire with benefits. That is one delivery model out of four, and rarely the right first one. The seat needs someone accountable for a reliable close, trustworthy measurables, and a forward cash view; none of that requires an employee. Put the routes on the table before the team argues about a salary they were never going to pay.

Route	Fits when	Watch for
Level up who you have	The bookkeeper is capable and willing, and the gap is structure rather than skill.	Cheapest and slowest. Easy to let slide if nobody checks the work.
Fractional or outsourced controller	You need judgment monthly rather than daily, and the work is defined enough to scope.	Confirm they own the close, not just prepare it.
Part-time or fractional CFO oversight	The bookkeeping is fine and the gap is interpretation and forward view.	Skipping the controller layer. Verify the close first.
Full-time hire	Complexity, volume, or investor requirements demand it.	Usually premature. Expensive way to discover the real need.

Then price the alternative

The objection compares a fee against zero, which is the wrong comparison — and you are well placed to say so, because you have watched what the gap cost this company all year:

- Rocks that slipped a quarter because the data arrived too late to act on
- The hire or the price increase deferred for want of a number
- Margin that drifted for months before anyone could name the cause
- Leadership hours burned arguing about whose figures are right

> *Do not sell them anything. Put the routes and the cost of the gap in front of the team, and let them choose. Your job ends at a named owner and a date. But they cannot choose well while they think the only option is a salary.*

One walked all the way through

A composite, assembled from the pattern rather than any one company. It is here because the sections before this describe a method and a method is easier to trust once you have watched it run.

What the room brought

A twelve million dollar commercial installer. The presenting issue was sales: margin had slipped for three quarters, and the leadership team wanted a pricing Rock and a compensation redesign. Margin had been on the issues list twice before and had not stayed solved.

What the one-to-one turned up

- The close landed "around the twentieth, most months." No published date.
- Nobody would defend a Scorecard number under challenge.
- Cash eleven weeks out: the answer was today’s balance.
- Books were on cash basis, in a business billing deposits against jobs running four to nine months.
- Margin was visible at company level only. No job costing.

What that means

Margin was never the constraint. It was the only symptom visible from the leadership table. On cash basis with no job costing, the reported margin was a collections pattern wearing a margin label: strong months were deposits landing, weak months were jobs in progress. A pricing Rock built on that number would have repriced work that was already profitable and left the losing jobs untouched. The two earlier attempts were sound; they were solved against a number that could not answer the question being asked of it.

What went back to the room

Not a finding, and not a recommendation to hire anyone. The Issue was reframed as: *we are making pricing decisions from numbers that cannot answer the pricing question.* Three things were named with owners and dates: the basis question to the company’s CPA, job costing on the ten largest jobs of the prior quarter, and a published close date. The pricing Rock was deliberately held for the following quarter.

> *The Implementer diagnosed, named it, and assigned it. Nobody was hired that quarter, and the Issue stopped coming back — which is the outcome, not the engagement.*

9

Your private read

Fill this in yourself, after the one-to-one and after a session or two of watching the room. It is your read, not a group exercise. A scorecard on the finance seat, worked through in front of the leadership team, grades a person in public and undoes everything in Section 6.

Load-bearing — nothing above these holds without them

- [ ] The basis of accounting fits the business (accrual where there is WIP, deposits, or inventory)
- [ ] Books close on a set date each month, and did so last month
- [ ] Last month’s numbers are final — not "mostly done", not later restated
- [ ] Where the business runs on jobs or projects, margin is visible per job

Supporting

- [ ] There is a forward cash view, not just today’s balance
- [ ] At least one financial measurable sits on the Scorecard
- [ ] The team accepts that number each week without a caveat
- [ ] Someone can explain what drove last month’s result, not just report it
- [ ] Financial reporting connects to the Rocks and the plan
- [ ] One named person owns financial outcomes, not just bookkeeping tasks
- [ ] A decision in the last quarter was genuinely changed by the numbers

Reading it

Do not total it. Find the earliest unticked line. That is the constraint, and the ones below it are symptoms. A company can tick seven of eleven and still be blind, if the four it missed are the load-bearing ones. If any load-bearing line is unticked, the work is there and nowhere else this quarter. Cash is the exception: if the forward view is missing and money is tight, that runs in parallel starting now.
