



CONSIDERATIONS FOR THE FIRST 100 DAYS

A Guide for New CFOs

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 points of views for their functional areas and for the finance and accounting function
- Determine and schedule stakeholder meetings - 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

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 financial reporting and financial planning and analysis (FP&A) processes

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
- Understand current loan arrangements and required compliance reporting
- 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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