REALIZE SUCCESS

If It Doesn't Challenge You. It Doesn't Change You.

THE PATH FROM CONTROLLER TO CFO

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THANK YOU AND WELCOME!

Did I really move from accounting/controller to CFO ?

AND doubled my income?

Yes, I did.

How?

It’s not easy, but it’s totally doable!

E + R = O

Event Response Outcome

E + R = O

Blame the Event

E + R = O

Point of Power

IN ORDER TO MAINTAIN YOUR POWER, YOU MUST GIVE UP

BLAMING — It's their Fault

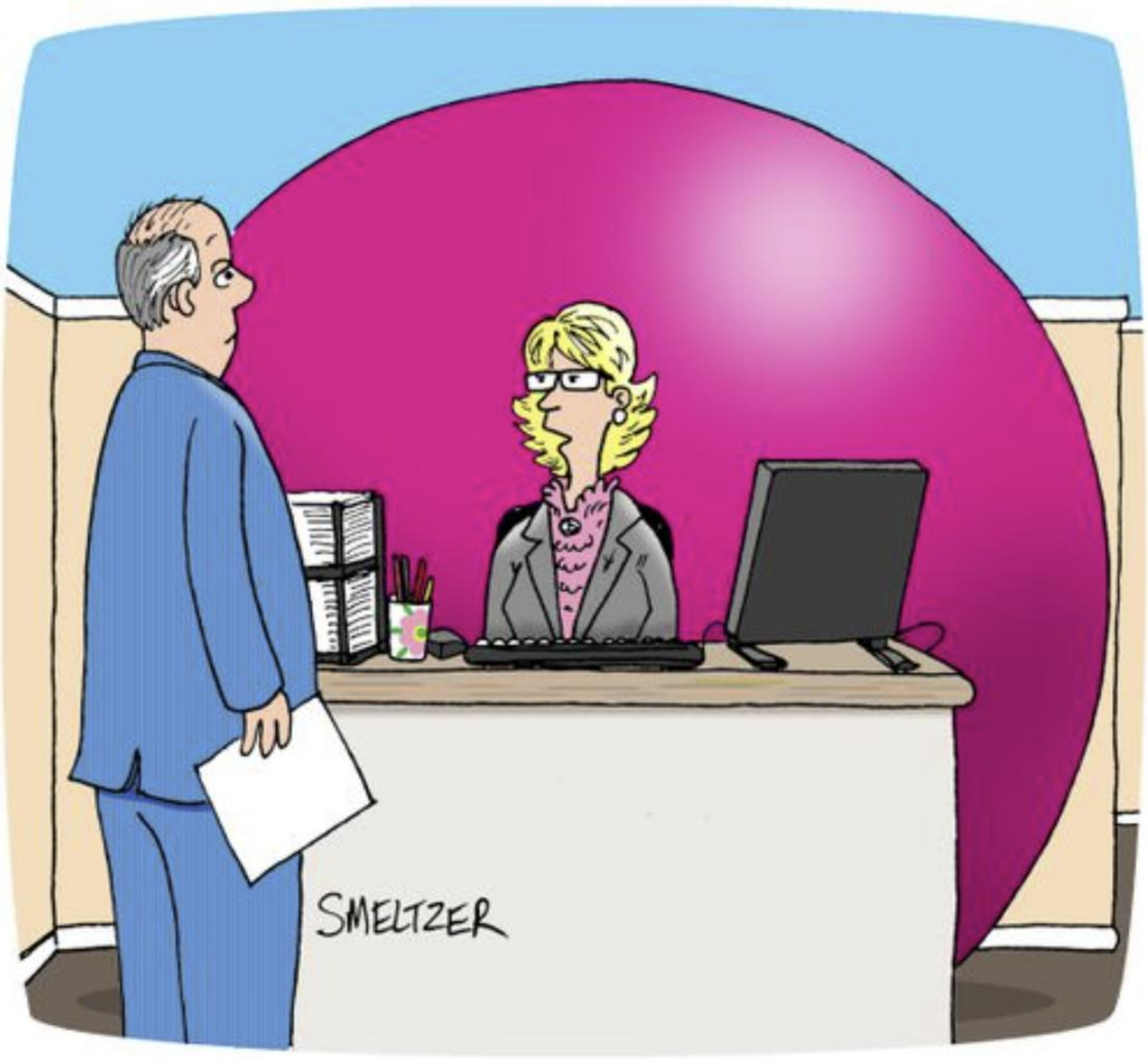
COMPLAINING — Why does this always happen to me?

DEFENDING/JUSTIFYING — You see, I couldn't because the computer wasn't on.

EXCUSE MAKING — I was late because there was so much traffic!

IDENTIFY AND REMOVE ROADBLOCKS

DEVELOP FINANCIAL ACUMEN (OUTSIDE THE FINANCIALS)



"The longer I work here,
the bigger my stress ball needs to be."

HOW TO ANALYZE ISSUES

HOW TO ACT / THINK STRATEGICALLY

LOOK BEYOND DEBITS AND CREDITS

PROCESSES – WHAT FEEDS WHAT

THE WHOLE SYSTEM

THE ENVIRONMENT

WHERE DOES THIS INFORMATION LIVE?

- 10 K
- Website
- Press Releases
- Investor Presentations
- Google
- Company Review Sites
- Industry Websites
- Competitors
- Suppliers / Vendors
- Customer Profile
- Industry breakthroughs
- New Technology / AI
- Operations
- Internal Strengths / Weaknesses
- YOU!

ANALYZE ISSUES

THINK STRATEGICALLY

PROCESSES: WHAT FEEDS WHAT ACROSS THE ORGANIZATION

THE WHOLE SYSTEM: HOW THE PIECES CONNECT

THE ENVIRONMENT: MARKET, COMPETITION, MACRO TRENDS

CONNECT THE DOTS — SEE THE IMPACT ACROSS IT ALL

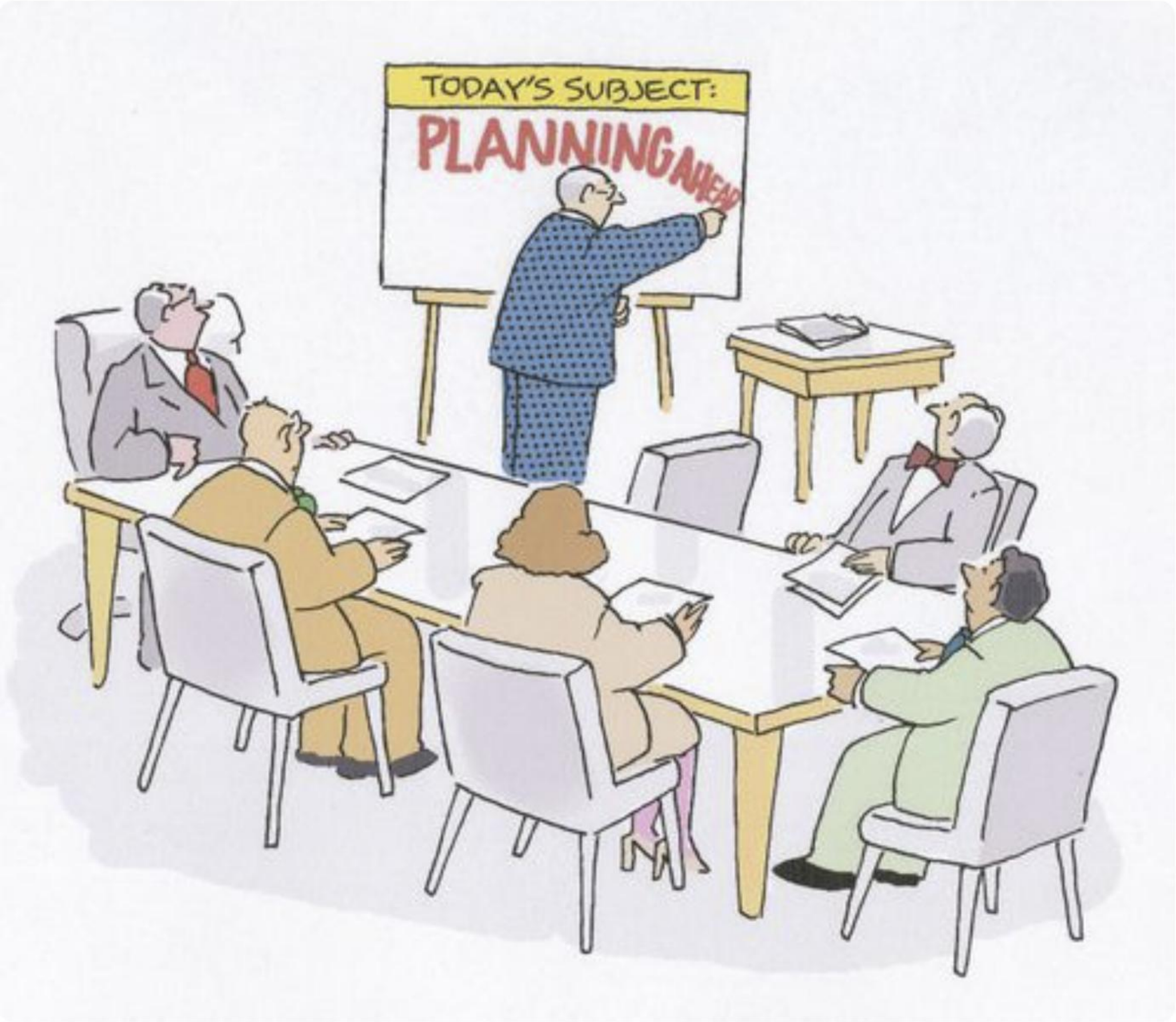
PROBE AND LOOK PAST SYMPTOMS TO THE UNDERLYING CAUSE

"You're supposed to push your envelope from the inside, Conners!"

GAIN FINANCIAL PLANNING & ANALYSIS EXPERIENCE

STRATEGIC PLANNING

FORECASTING WITH FINANCIAL MODELING


TODAY'S SUBJECT:
PLANNING AHEAD

Strategic Planning and Forecasting

- Future financial conditions
- Beyond the numbers

Financial Modeling and Analysis

- Foundations:
  - Historical Performance
  - Key Performance Indicators
- Driver Based Assumptions
  - What drives revenues?
  - What drives costs?
- How to Account for anything that's 1 off
- Growth Projections
  - What growth (or loss) would you predict?
  - What assumptions did you use?
- What's the overall message from the model?
  - What would you tell the CEO?

Financial Modeling and Analysis

- Simulate the financial scenarios
- Financially predict potential outcomes
- Cash flows, capital investment and valuation models

The HVAC Scenario

Q3 vs. Q4 — Commercial Installs

	PRIOR QTR (Q3)	CURRENT QTR (Q4)
Revenue	$520,000	$600,000
Cost of Goods Sold	($325,000)	($390,000)
Gross Margin	**$195,000 (37.5%)**	**$210,000 (35%)**
Overhead	($140,000)	($150,000)
Net Margin	**$55,000 (10.6%)**	**$60,000 (10%)**
Units Sold	35 units	40 units

The Business

Comfort Air Mechanical has installed and serviced commercial HVAC systems in the metro area for twelve years, working mainly with office parks, retail centers, and light industrial clients. The company runs three install crews of four technicians each and has grown largely through repeat contractors and word of mouth rather than paid advertising. Eight of the 40 units sold this quarter have not yet been installed, and it's currently mid-winter, when install crews typically run below capacity. A new competitor has entered the local market, undercutting install pricing by roughly 15%. The office lobby was recently repainted, and the team's holiday party was held downtown in December.

STEP 1

IDENTIFY THE ISSUES

STEP 2

ADD STRATEGIC THINKING

STEP 3

FINANCIAL FORECAST WITH KNOWLEDGE

Recap: One Version

Unlike a debit and a credit, there's no single right answer here.

- **Step 1 — Issues:** a process issue (8 units sold but not installed — revenue booked ahead of cash and completion), a system issue (install capacity is constrained going into winter, with only three crews to work the backlog), and an environment issue (a new entrant is pressuring price). The lobby repaint and the holiday party aren't drivers of anything — that's the point.
- **Step 2 — Strategic read:** clear the backlog before chasing more sales, decide whether to match the new entrant's price or compete on reliability instead, and plan for a capacity crunch once installs pick back up.
- **Step 3 — Forecast:** revenue timing shifts as the backlog installs, margin compresses if pricing follows the competitor down, and overhead may need to flex if crews work overtime to catch up.

If your group prioritized differently — that's the point. A reasonable case could be made for matching price instead of holding it, or for pushing sales instead of clearing backlog first. Strategic thinking means defending a position, not finding the one correct number.

YOUR GAP MAP

Worked example: the HVAC company's sales process

START — WHAT I KNOW

I can book the entry after the sale: debit Accounts Receivable, credit Revenue.

→

THE GAP — WHAT TO LEARN

Lead generation, quoting & pricing, scheduling & permitting, crew & materials logistics, customer hand-off, install completion.

→

GOAL — WHAT I NEED TO UNDERSTAND

How sales happen operationally, start to finish — not just how they get booked.

Your turn: build your own GAP Map

- Start: pick one process in your company you only know from the accounting side — say, "sales," or "collections," or "production."
- Gap and Goal: name the components you'd need to learn, and write one sentence for what you're really trying to understand.

Create a Plan

Deepen Your Business Acumen and Strategic Thinking

Continue Financial Acumen Development

Reflect On Learnings and Make SMART Goals

THANK YOU