Justification for CFO role

Question:

"I need to present a case study for a CFO role. One of the things I was asked to answer in the case study is my thoughts on some strategic initiatives the CFO could drive. It's a new industry for me so I'm looking for a website, service, data, or anything that could give me some insight to the industry. I cannot provide details about the company, but it is asset intensive with a large fleet of vehicles and provides transportation services."

Responses:

- *My recommendation would be to search for public companies in the industry and listen to their quarterly earnings calls. The Borsa app is a great tool for this. I'm not very familiar with this industry but would probably start with Hertz (very interesting EV strategy), Uber (now profitable on an adjusted earnings basis) and Lyft.*

- *I had a conversation with Enterprise Fleet Management recently. It seems like a good place for a CFO to get strategic. Take a look at their website under Insights and Whitepapers. You might take away a few ideas.*

- *I would consider how to incorporate ESG/Sustainability into their operations. Many asset intensive industries are trending in this direction.*

- *In general regarding why someone needs a CFO, I find the attached article to be useful. Hope this helps.*

  https://www.armaninollp.com/articles/do-you-need-cfo-or-controller-what-is-difference-outsourcing/?utm_campaign=outsourcing-private-equity-venture-capital-strategic-finance-outsourcing-2208-nw22883578&utm_medium=email&utm_source=newsletter

- *From a website / industry research perspective, try https://www.penskeautomotive.com/home/default.aspx (public company), https://rlslogistics.com/ (private but partially logistics / fleet), https://6river.com/top-logistics-companies/ (a general listing of top logistics companies)*

- *For the question on case study, this really is just about thinking about what are the business issues/goals that affect that type of company - the CFO can justify being in literally every aspect of a business - but some, such as cost, are more applicable.*

- *Revenue / Growth*
- *Reducing Costs*
- *Improving Operations or R&D*
- *Strategic direction change*
- *Capex*

Each of these has many sub-bullets...for example, related to Revenue/Growth:

- *Increase topline? Increase margin? of existing business*
- *Grow organically, grow through acquisition*
- *Grow organically through new products, new services, adjacent services/products*
- *Grow organically through new customers, markets, channel*

- *The CFO is not a company savior, though many who hire think they are. The CFO should drive strategic initiatives around interpreting financials; example, looking for efficiencies in each area of spend, perhaps by substituting new technology for labor, or looking into offshoring, or other types of opportunities; invest excess funds; implementing and reporting on KPI's that help the CEO and COO drive operations and strategy. The CFO can also bring insight into what competitors are doing from a financial perspective, providing benchmarking and financial strategies. Can also help evaluate and integrate acquisitions from a financial perspective, perhaps even speak to potential acquisition management and bring those to the attention of the CEO. CFO can also look at potential divestitures and the impact on the company. What you do not want to do is put the CFO in charge of technology, HR, legal, or marketing initiatives. Nor organizational change. That is the COO role. If you make the CFO do the CFO and COO role, you will need to give them very strong lieutenants in each area. I speak from experience.*