

Finance + Operations Framework

Finance and Accounting Considerations

- Create clear finance and accounting policies. Check the control environment – are we able to create separation of duties?
- Create financial dashboard[s] with the user experience in mind. Are the metrics depicted meaningful, impactful? Check for appropriate distribution list – who should use the data?
- Provide accurate, appropriate financial reports to specific users of the information. There may be different types of reporting needed.
- Create realistic sales, financial, and cash forecasts. Update regularly, right size purchasing/spending consistently. Check history and trends. Beware of hockey sticks.
- Implement process for budget development and regular reviews.
- Set guidelines on cash reserves [three to six months? Less, more?].
- Practice sound cash management and discipline with working capital [A/R, A/P, & Inventory, if needed]. Understand the cash conversion cycle, collect without becoming 'collections.'
- Identify revenue sources and/or products that are critical. Know the unit economics. Is there a positive contribution margin? How do we improve gross margin?
- Manage operating costs aggressively [where can we reduce, if needed, without shortcutting services?].
- Review non-core assets on balance sheet; manage capital intensity of others.
- Analyze important ratios for the company/industry - understand the narrative.
- Align financial, strategic, and sales & operating plans – cross check impacts. Can we afford to execute the plan(s) as envisioned? Are we growing too fast?
- Compare activities against financial results – are we creating value?
- Look for ways to automate systems – reduce non value-add data entry where possible.
- Review banking, accounting, and other financial relationships [advisors] annually.

Operations and Systems

- Look for ways to simplify operations and administration so the team can focus on value-add work [creating great products, taking care of customers, managing cash]
- Identify and resolve inefficiencies, obstacles, barriers to performance.
- What should we do more of, less of? [Start, Stop, Continue]
- Check the tools/platforms – is everyone using the same, do we all know how to use them? Do they fulfill their purpose? Have we outgrown some?
- Review points of failure [3-5 critical tasks in each functional area].
- Are there specialty functions [ie Technical Services, Customer Success] that need a specific/new strategy?
- Set goals for organizational performance and create an action plan. What is the top operational priority [are we measuring that?] and do we know our next tier priorities?
- What are the company strengths [core competencies, value proposition]? Do we all understand and embrace the business model?

- Project specific – do we understand the clients' needs, have we scoped correctly, can we be successful?
- Review vendor/supplier relationships annually.
- Review important registrations, filings [local, state, federal, tax, entity specific].

Organizational Development, Culture, and People Operations

- Allow space for innovation and ideas.
- Is the org chart design appropriate and does it allow for clear and effective internal communications and decision making? Is there lateral communication amongst the management team?
- Align job descriptions with organizational needs – do people know their jobs? Have they been trained? Do positions need to evolve?
- Close skill and knowledge gaps; look for opportunities for professional development, coaching.
- Are employees engaged? Do they feel heard? Have we created a safe environment?
- As the company grows, check for 'drift' of early team members.
- Identify employees critical to company success/operations; review succession planning.
- Do we know how to find new team members and recruit top talent? Check onboarding processes – again, think user-centric.
- Recruit and, importantly, retain. Look for opportunities to develop skills of current team. Do we know our reputation as an employer?
- Find the Why, communicate it. Educate people on Vision, Mission, and Values.
- Analyze compensation and conduct benefits analysis, as needed. Compare to market.
- Ensure a performance review process with appropriate procedures and cadence.
- Review practices on retaining/securing employee records/files in accordance with legal requirements and company policy.

Risk Management

- Identify company liabilities and insure appropriately for the operations [look at over-insured areas, as well]. Are there products/functions that no longer need insurance? Has an insurable risk changed dramatically?
- Is data backed up and secured? Do we have an appropriate IT infrastructure, including training around cybersecurity? Do we have proper internal and external access policies for data?
- Other: identify hazards [safety, facility, earthquake], operating risks [at risk revenue/financial pressure, theft, supply chain disruption, sole source contracts] and strategic risks [product failures, competitor moves, shifts in technology]. Create contingency plans.