

The New Controller: Tips to Expand Strategic Role

A [report from Deloitte](#) in April showed that controllers are encouraged to take more strategic roles in companies, but few are seizing the opportunity.

Ninety-two percent of North American controllership professionals surveyed agreed that they have a seat at the table to shape strategic priorities, but just 24 percent said that the controller or chief accounting officer has a clearly defined vision about how to add strategic value.

Top priorities for a more strategic controllership function included the following, according to Deloitte survey respondents:

- Improving efficiency of people, processes and technologies – 50%
- Implementing new accounting standards – 16%
- Providing more strategic counsel to CFO, other executives and board – 15%
- Broadening knowledge outside the finance function – 7%
- Recruiting and retaining top talent – 5%



Because many “check-the-box” activities may be increasingly handled by software and automated services, the role of controllers must evolve into deeper analysis and recommendations that support the strategic direction of the business, according to survey participants. In other words, they don’t just report that the financial statements are done. They should highlight changes in the data and explain how such changes may impact business plans and revenue.

Where should you start at your company? The following are a couple simple areas where controllers can take a deeper strategic dive to support operations but also predict future challenges.

Budgeting and Forecasting

As a primary finance task, budgeting can either be seen as a once-a-year exercise or a resource for operational coordination and agility. Controllers are skilled at developing operational budgets and tracking expenditures. They add value by predicting cost increases, identifying areas of savings and providing contextual budget coordination and evaluation.

Tips:

- Review the budget monthly and provide quarterly analysis on areas of potential overspending while identifying opportunities to save money.
- From a strategic level, research the best tools to automate and streamline processes that can reduce pressures on the operational aspects of the budget.
- Develop accurate key performance indicators. These can be used to support better evaluation of the company’s or business unit’s actual results against the budget.

Cash Management

Traditionally, sales or performance is credited with profits. But the finance function can impact profits by getting cash faster and keeping cash longer. In addition to negotiating terms with vendors and customers, the use of billing technology and evaluation of borrowing costs and credit can improve a company’s cash position.

Controllers can be instrumental in cash management by accelerating accounts receivables and decelerating payments — that is, prioritizing which bills get paid first and when.

Tips:

- When establishing accounts with customers, put adequate credit analysis in place to qualify an account for credit. Then continue to monitor customer performance and note any changes in payment regularity as soon as possible to address service issues or other risks of delinquency.
- On the vendor side, negotiate favorable credit terms that allow for a prioritization of payments as well as payment timing that best fits the company’s cash flow.

Are you looking for other ideas to support the strategic oversight of your finance function? LvHJ’s business advisory team can help. For more information, visit <http://lvhj.com/services/business-advisory>

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