

Going Lean: Why Outsourcing is Increasingly the Answer for Your Operational and Strategic Finance Needs

Outsourcing both operational and strategic roles can provide a flexible and cost-efficient means to access deep domain experience across the full breadth of a finance organization – from controller to CFO. Companies from early stage to publicly owned now turn to highly skilled finance teams for solutions. Why should you consider this route?

- 1 Building an in-house team takes time, and competition for talent is high. Outsourcing can fill both short- and long-term roles with carefully selected experts who hit the ground running – letting you avoid protracted searches, training and hiring costs.
- 2 Scalable resources can meet changing needs, planned or otherwise. As companies transition from early to growth stages, the flexibility of an outsourced team allows for dialing resources up or down accordingly. The ability to fill a suddenly open role ensures business continuity.
- 3 The right consultancy comes with a large established network, sparing you from the hunt for resources. Teaming with a firm that has led and executed the finance function for hundreds of companies means close relationships with the best banks, insurance brokers, benefits & payroll administrators and valuation firms, among other key contacts.
- 4 Whether preparing for BOD meetings or managing the outcome of a transformational event, CEOs need strategic and impartial counsel. Companies who initially outsource general accounting are increasingly moving up the value chain to take advantage of seasoned interim or part-time CFOs who can provide strategic advisory in addition to day-to-day execution.

Which companies benefit from outsourcing, and at what stage? The answer is every and all. Consider the following examples we've seen, ranging from early stage to publicly traded companies.

STARTUP	GROWTH STAGE	PUBLIC	INTERNATIONAL
A three-person startup backed by angel/VC seed funding needed a part-time controller with knowledge of NIH Small Business Innovation Research grants and the ability to install and maintain an accounting system, manage A/P, generate periodic financial reports, manage payroll, comply with state filings and registrations and grow with initial build-out of company.	A private biotech company preparing for Series B fundraising needed to upgrade its financial infrastructure. An outsourced team comprising CFO, FP&A specialist and controller managed the entire process, including review of historical financial statements, preparation for audit, implementation of new processes and controls, building of the cash flow model, and execution of the fundraising.	A public company that recently completed a reverse merger needed interim accounting and finance support to ensure compliance with regulatory filings. An outsourced CFO plus team stepped in to work on the Wall Street financial model, SEC compliance and Sarbanes Oxley – remaining in place until full-time support was hired.	A non-US publicly listed company needed support to understand and access US capital markets. An outsourced finance team provided special expertise and ensured compliance with GAAP conversion and SEC filings to access US capital markets.

Most importantly, your outsourced finance team should know your business inside and out. Look for consultants with experience in your specific industry. For example, the pace and demands of a finance team in the life science sector are unique -- impacted by lengthy drug trials, complex FDA compliance measures, changing trends in healthcare spending and unrelenting capital needs. Your team should speak the language of your sector, have the right contacts and not take a one-size-fits-all approach.

About Danforth Advisors

Danforth specializes in accounting, finance support and strategy for life science and healthcare companies. Our services range from execution of day-to-day finance and accounting functions to strategic CFO advisory, capital raising, financial and operational planning and analysis, and transactional support and execution for public offerings, mergers and acquisitions. Clients at all phases of the corporate life cycle can take advantage of these services on a part-time, interim or project basis, scaling as needed.

Fast Facts

Founded: 2011

Clients: 270+ life science and healthcare companies served to date

Team: 50+ experienced finance and accounting professionals, including CFOs, Big 4 public accounting alumni, corporate controllers, startup accountants and subject matter experts such as financial planning & analysis specialists.

Impact: Nearly \$2 billion raised by active clients to date, including transactions for private and public companies. Additional assistance provided for strategic sales of assets, whole company sales and other strategic initiatives.

For more info: www.danforthadvisors.com