



Privately Speaking

Insights on private company growth
from private company insiders

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The startup CFO's road map to success

Are you a new head of finance or CFO at a startup organization? Or have you recently hired a new finance leader? If so, you'll certainly want to read this.

At some point in every successful venture capital (VC) backed company's path, the board and management team will need to hire a CFO or senior finance professional.

Are you a new CFO?

If that is you, congratulations. Now you have your work cut out for you. Your new role is not just about making the finance function run effectively; it is also about clearing a path for growth, forming new relationships and partnerships, generating measurable value, and establishing and improving key processes and reporting requirements. It is a time of tremendous opportunity for you and your organization.

Are you hiring a new CFO?

This is probably a critical point in your company's journey—usually around the time that venture capital (VC) funds and other institutional investors are considering more significant funding. Roles and responsibilities are being formalized, processes and controls are being implemented, and cultures and capabilities are being transformed. That's probably why you are now considering hiring a CFO or head of finance.

Looking for a checklist or template?

You should stop looking; there is no single and consistent checklist of tasks that CFOs need to complete when building out their role. The reality is that no two companies are the same; each growth company and each CFO will need to define his or her own road map for success.

But you can get help. You can talk to other CFOs at other growth companies. You can tap into professional advisors. You can ask people for advice and insights. And you can attend workshops and conferences.

Short on time? Start here

At KPMG, we want to make you and your organization a success from Day 1. So we decided to leverage our experience and our contacts to develop a short report designed to help new CFOs at VC-backed growth companies make the most of their new role.

To develop this report, we sat down with more than a dozen experienced CFOs to find out what their biggest challenges were when they started their new role. We found out what they learned, what they might do differently the next time, and what they wish they had known.

We combined this with our own experience working with CFOs and growth company leaders, in order to offer guidance and a potential road map to help new CFOs drive measurable value for their organizations.

What CFOs told us about...

Understanding your new role:

- “You need to understand what your role is. Does the role require you to be hard-nosed, or are you going to be collaborative?”
- “VC investors often expect the CFO to be a mentor to the CEO, particularly when they are a founder with deep product or technical talent.”
- “You cannot be totally consumed by the tactical tasks—you must lead both strategy planning and execution together with the CEO.”

Establishing yourself:

- “Venture capital investors should be seeing your numbers more often than at the board meetings. That’s how you avoid surprises, provide context, and ensure that board meetings are as productive as possible.”
- “We came up with clear financial and nonfinancial metrics that the board and investors could focus on, and that told a very clear story about the strength of the business.”
- “The CFO influences the rest of the C-suite by driving the metrics and presentation of results. They hold the management team accountable with facts.”

Building capabilities:

- “Particularly when it comes to financial processes and controls, you need to be able to look across multiple horizons. You need to know what you have today, what you will need in the medium term, and how you will get from here to there.”
- “You need a core building block—often a single hire like a controller—that has the capability and vision to then assess, build out, or prune the rest of the team as needed.”
- “Don’t be afraid to use advisers. You don’t need to do everything in-house immediately and run the risk of overbuilding. Start by using third parties, and then you can bring the function in-house as you scale.”

Turning strategy into operations:

- “You need to be on top of your financial performance, both in terms of key metrics such as losses, burn rates, and revenue growth, but also in terms of the finance department’s own performance, such as quality, accuracy, and timeliness of reporting.”
- “While the natural reaction is to look for new equity, you need to consider that there is also “good debt” out there—including revolving debt options—that could be a good alternative for your company at a particular time.”
- “You should know your numbers at all times: actuals, plan, and latest best estimates/forecasts. Your command of the numbers is key to effectively navigating the ship.”

Six key takeaways for new CFOs



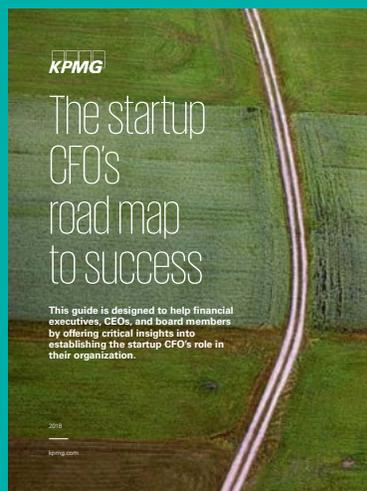
- 1** Be the CEO’s trusted partner. Establish this on day 1.
- 2** Be self-aware. Know your strengths, weaknesses, and what kind of CFO you will be.
- 3** Be operational as well as financial. Know your operational metrics inside out.
- 4** Gain the trust and insight of key investors and stakeholders.
- 5** Establish key milestones to maximize valuation, manage dilution, and optimize capital sources.
- 6** Move quickly to fix broken things that will derail your strategic initiatives.



Want to learn more?

For more details and to download the guide, visit **The startup CFO's road map to success**

You can also reach out to any of our professionals in the **Private Markets Group** or **Venture Capital practice** to find out more about the guide or to discuss your own CFO journey.



Do not miss a thing

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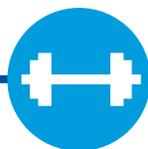
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Contacts

Brian Hughes

Partner

National Private Markets Group (PMG) Leader

National Venture Capital Coleader

T: 267-256-1820

E: bfhughes@kpmg.com

Conor Moore

Partner

National Venture Capital Coleader

T: 415-963-7559

E: conormoore@kpmg.com

Sal Melilli

Partner

National PMG Audit Leader

T: 212-872-6030

E: smelilli@kpmg.com

Bill Jackson

Partner

National PMG Tax Coleader

T: 214-840-6040

E: wmjackson@kpmg.com

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