

Attending this Breakout Session entitles you to 1 hour of CPE

Please answer all three polling questions to qualify for CPE Credit.



What I Will Cover in this Keynote Address

- Update on the Evolution of CAS
- “Thought Bombs” Since Last Year’s Conference
- Questions and Answers – Ask Anything Relevant to the Profession



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#SNH24

Update on the Evolution of CAS

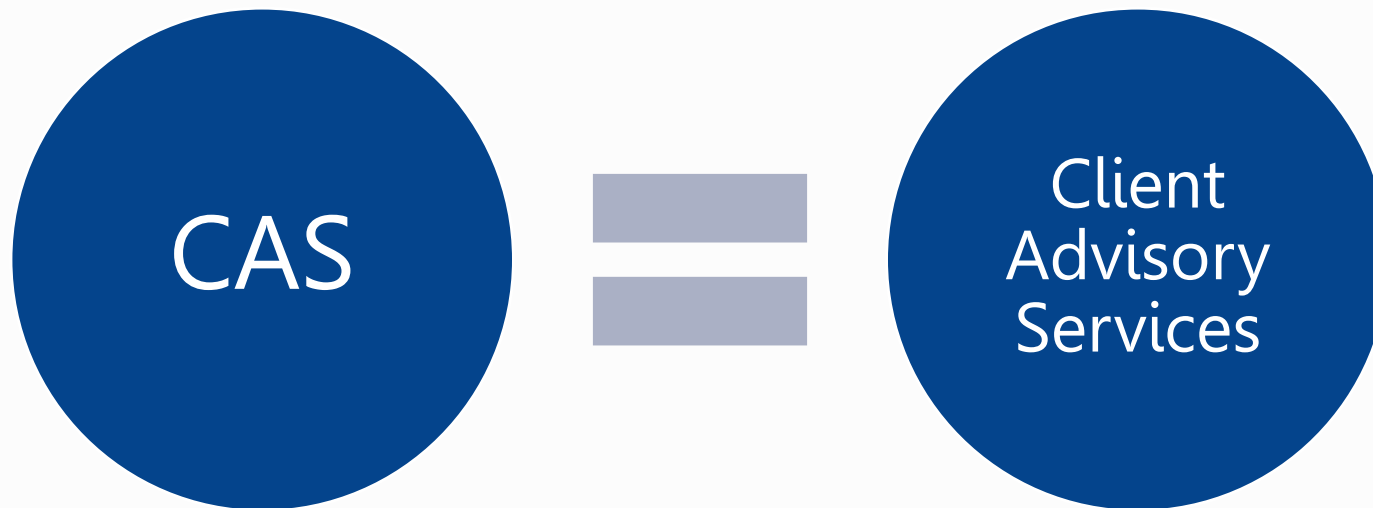
How Does the Profession Define CAS?

- **CAAS** – Client Accounting and Advisory Services
- **CAS** – Client Accounting and Advisory Services
- **CAS** – Client Accounting Services
- **CAS** – Client Advisory Services

Name of primary CAS practice offering	
CAS (Client Accounting Services)	43%
CAS (Client Advisory Services)	13%
Other name including the term "advisory"	16%
Other name including the term "CFO"	7%
Other name including the term "outsourced"	17%
CAAS - Client Accounting & Advisory Services	7%

Source: 2022 CAS Benchmark Survey - AICPA

How Does the AICPA Define CAS?



IMPORTANT: “Advisory” by this definition of CAS is a very broad term that includes services other than financial analytics/CFO.

Accounting (i.e., Bookkeeping)

- Recording **History** (A Year Ago, Quarter Ago, Month Ago, Day Ago)
- **Never** Operational
- Should **Not** Including Payroll Processing/Compliance
- Should **Not** Include SALT
- Should **Not** Include Back Office Management, etc.
- SHOULD Include a Cyclical Meeting with the Client to Discuss GL Balances

Horizon:
Past

**Accounting
Services**

Product:
Financial Information

Thought Bomb

Nature Creep is
More Dangerous
than Scope Creep



Controllership Services

- **Cost Reductions and G&A Reductions**
 - Budgeting with Regular G&A Assessments
 - Purchasing Policies and Procedures (with Optional Enforcement)
 - Spend Policies and Procedures (with Optional Enforcement)
 - AR Monitoring → Reduces Bad Debt Expense
- **Reduction in Expenses Other than G&A**
 - Capital Expenditure Strategies
 - Internal Controls with Fraud Mitigation
 - Credit Monitoring and Maintaining Credit Worthiness

Horizon:
Present

**Controllership
Services**

Product:
Journey Protection

Industries that Most Often Need Controllership Services

- **Most Common:** Distribution, Wholesale and Manufacturing
- **Common:** Construction
- **Not Uncommon:** Retail (Typically with Strong e-Commerce Focus)
- **Not Uncommon:** Non-Profit Organizations, Especially Larger Houses of Worship and Grant-funded Charities
- **Uncommon:** Franchises with 100 or Fewer SMB Franchisees
- **Uncommon:** Professional Services Companies (Legal, Engineering, Consulting, etc.)



Thought Bomb

In other words...
contra-professional
expense



Back Office Process Outsourcing

- **Operations** Related to Payroll and SALT
 - Payroll **Calculation** and **Processing** (or Payroll Service/Software Curation)
 - Worker's Compensation Insurance Filing/Compliance
 - Sales Tax Calculation and **Processing** (or Sales Tax Service/Software Curation)
- Business Licenses and Other Local Permits and Compliance
- Payables **Processing**
- Receivables **Processing**...etc.

Horizon:
Present

**Back Office
Process
Outsourcing
(BPO)**

Product:
Journey Protection

ANYTHING operational is Back Office Process Outsourcing



Financial Planning & Analysis Services

- Cash Flow Projections
- Dashboards and Dashboard Monitoring
- Key Performance Indicators (Leading Indicators) with Management Implications and Advice
- Financial Forecasts (Contrasted with the Spend Regulatory Budgets of Controllershship)
- Regular Meetings with Clients and General Accessibility to Clients around Actionable Management Advice that is Informed by Financial Measurements, etc.

Horizon:
Future

**FP&A
Services**

Product:
Financial Visibility

To Niche or Not to Niche

Controllership
Services

There are leashes in the
niches.

FP&A Services

There are riches in the
niches.

Fractional CFO Services

- Fractional **Executive Leadership** that Leverages the Data Compiled by FP&A Teams and Controllershship Teams to Guide Leadership
- **Decision-Making Authority** (or Strongly Influential Advisory) that Steers the Businesses Planning and Strategy
- **Stakeholder Relations** Representation (e.g., Financial Institutions and Inventors)
- **Capital Management**
- **Inform Tax Strategies** for the Business and/or Its Owners/Shareholders

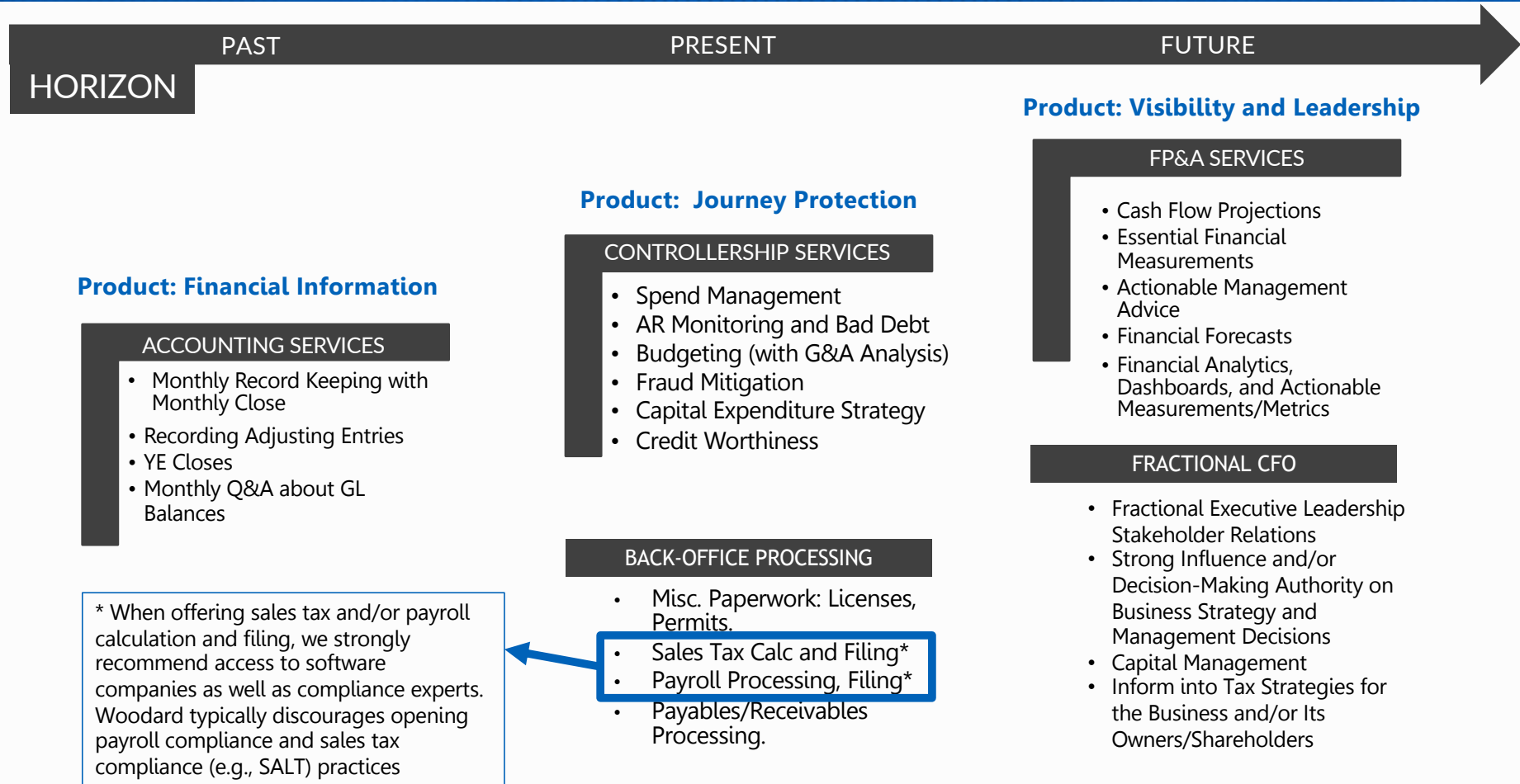
Horizon:
Future

**Fractional
CFO**

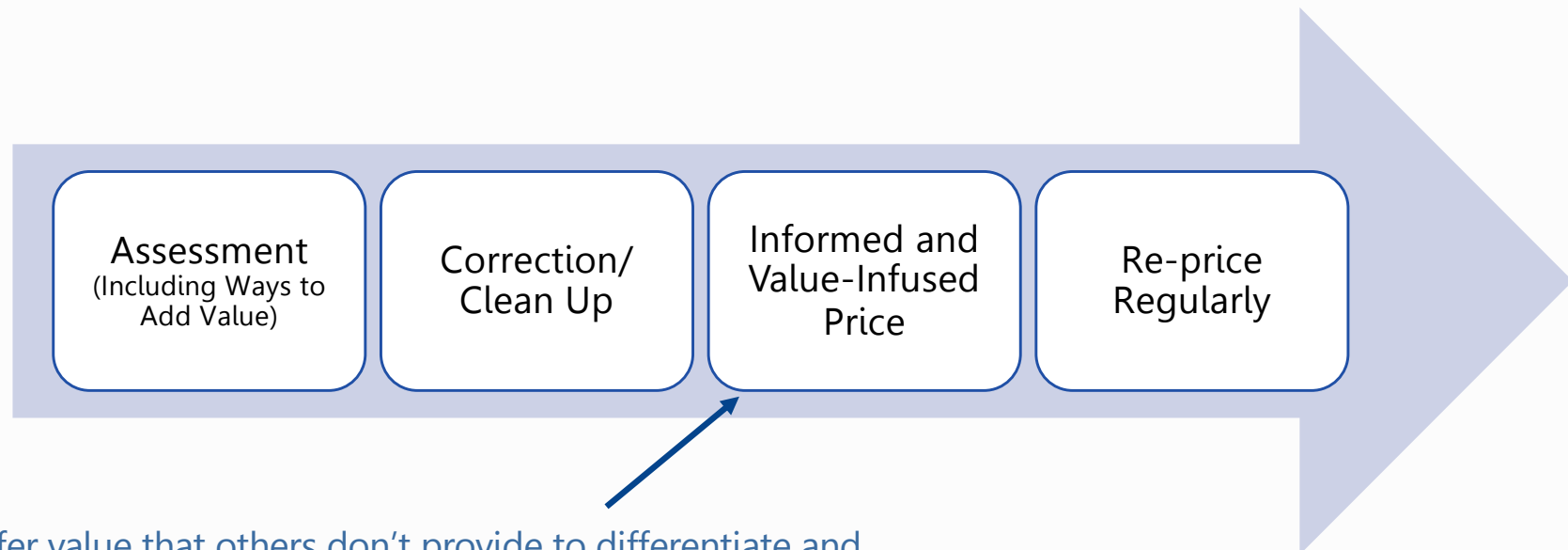
Product:
Business Advancement

You don't have to be a
CFO to provide
financial analytics and
actionable
management advice.





4 Pricing Steps for CAS Engagements



Offer value that others don't provide to differentiate and increase relative value per Cobb Value Curve



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Opening Keynote Address

Scaling New Heights 2024 – Encore Day