



## 5 ways to become a superstar controller

Expanding the field of  
vision of an essential role

By Cheri Koehler

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If only controllers had a 360-degree headset made just for them. Imagine it. They could see what's going on in the business from all angles, all the time. Even without special goggles, the savviest of controllers strive for an all-encompassing view. They need to know how the entire business operates, one end to the other. They make sure they have a deep understanding of the entire business, from the inner workings of the company's products to how they are sold and distributed. They are not shy about getting to know the sales force, the engineering team and the customers. And they overcome any limited range of vision by knowing the right questions to ask, forging relationships across business functions and staying current with the latest technologies and accounting pronouncements. Supported by a strong team, they are always on the prowl for improvements and efficiencies, whether they're looking to tighten up their close process or how they file SEC documents.

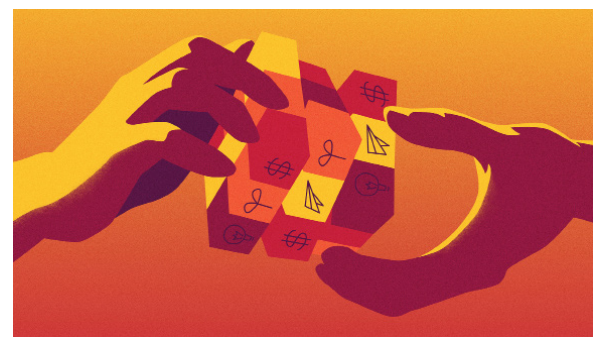
The role of the controller varies dramatically from one company to the next. One controller may head the entire finance function at a rapidly growing startup, while another oversees a small team under CFO leadership or helps to steer the company toward its first IPO. This guide empowers all types of controllers with ways they can excel and help their companies succeed, and also provides hints to the CFOs who oversee them.

We have filled in as interim controllers and CFOs at hundreds of companies, at various stages, and we know what makes one controller stand out from another. They look at transactions not only through their accounting filter but consider the commercial needs of the company, too. Superstar controllers double-down on their technical skills, their compliance capabilities and forecasting talent, and carry them throughout the company, to support the business in its growth trajectory.

## Put on your strategic hat

Whether helming the financial ship of a speedy startup or working side-by-side with a CFO at a Fortune 500 company, controllers are record-keeping guardians, compliance cops, internal-control sticklers and technical accounting whizzes. They are also problems solvers and essential figures in contributing to their company's growth. That sometimes comes as a surprise to folks outside finance who view the role as overly focused on what happened yesterday. But today's controllers are concerned not only with where the company has been but also what it's up to now and where it's going. A recent Institute of Management Accountants survey confirms this: It reported that the majority of controllers are expected to use their forward-thinking skills.

The role has evolved in recent years and it's understandable why: Their managers long ago shed the stereotype of hunched-over bean counters concerned only with past results. CFOs' specialized skills are valued for guiding their companies forward, based on data-driven insights and analysis. Now, just as expectations on CFOs have increased, calling on them to have more of a strategic mindset, controllers, too, are being looked upon to think more operationally.



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Controllers know the activities of the finance department are just one piece of the puzzle. They look beyond the immediate concerns of the finance department, beyond the debits and credits, to truly understand the business. As the ones who see the final results of orders and how they are recorded, they have a unique perspective to offer. They actively contribute in sales meetings, for example, piping up on how contracts should be worded and thinking through how revenue gets recognized. They look at costing while poring over budgets and make recommendations on pricing and tweaks. They contribute to budgeting and planning talks for new business lines and discussions about expanding the business to new countries. When they do their job well, they become a valuable contributor to the company's decision making.

The controllers who go above and beyond are inquisitive. They are not satisfied with the status quo. They are always on the hunt for improvements. They weigh in on new building negotiations, considering the longterm needs of the company, the terms and the accounting implications. How is the company handling debt and equity, and should changes be made? Are there missed productivity enhancements? How can they support strategic initiatives that are in play?

Throughout every activity, smart controllers ask smart questions to understand the growth path, and get to know the pain points and challenges that are facing their counterparts in other departments.

## Look beyond the numbers

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It's one thing to be able to pump out accurate facts and figures. It's quite another to be able to make sense of them. Controllers who are best of the best help others understand what the numbers all mean and use their knowledge to ensure the company—namely its balance sheet—stays healthy. They leverage the skills of the finance team for a noticeable impact on the bottom line.

Many positions within a company operate separately, consumed by their individual immediate responsibilities and goals. Not everyone knows the larger impact of their decisions (and mistakes). The controller is one of the few who can provide a big-picture perspective. They can shed light on factors that affect profit margins, for example, by explaining the true cost of a product (not just the cost of actually building it but the cost of acquisition and ongoing support).

Consider this: No one but the finance team may see the full cost that a lengthening inventory turnover period has on the company. Systems may be outdated for an accurate view or there's a gap in the order flow, with no coordination between the ordering and fulfillment side. With a mix of observation and inquisitive skills (along with a diplomatic attitude), controllers could question why six months' worth of a low-selling product was bought in the first place and recommend new terms for the purchasing manager. They can explain what a holding cost is.

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Controllers should also be able to relay how the figures all tie together. One company we worked with had a warehouse with a lengthy lease that was about to expire. Since it was in a far-flung location from customers, the cost of shipping was expensive. By considering future growth patterns and weighing the options and ongoing costs, the controller can jump in to the discussion with analysis and present an alternative location or arrangement that would be more beneficial and improve turnaround times for customers.

Use finance's love of metrics to help others in the company reach KPIs. Crunch the numbers to report whether others are meeting their targets. Emphasize the solution aspect of each initiative—everyone has the same objective, to do what is best for the company. Sometimes the KPIs may need to be revisited and shift slightly.

Know the goals and key ratios and actively manage how well your company is meeting them. Understand which ones are important and what's considered best in class, and lean on trusted advisors who can report what they are seeing in the trenches—what's normal and what's the best. Be able to predict and interpret when dips and rises occur, and be able to tell the story behind them.

Great controllers must also work with and advise company leaders by providing the financial information needed to develop successful strategies for the success of the company. They aim to anticipate market volatility and market patterns so that they can determine if goals will be met. Having a three- to five-year plan and adjusting the plan accordingly based on current transactions will enable controllers to make predictions about the future.

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## Be a bridge builder

Top-notch technical skills are essential for any controller. So are soft skills. Well-developed soft skills result in better working relationships, more influence and more effective leadership. Controllers need to be master communicators, to really hear and understand the needs of those in other departments and external parties, and to explain how finance can help.

Nurturing internal and external relationships is a big part of the job. View the role as a collaborator and an information seeker, and your team will be rewarded by being in the loop. Have a voice early on and avoid getting blindsided. An ERP implementation, a shift in sales strategy, a multi-year leasing agreement—these are all large decisions that may not intuitively seem to need the controller's input, but they should get it. The finance team is a key stakeholder of many such initiatives. To become a part of the conversation, get ahead of it and be involved.

In some companies, that's easier said than done. Fiefdoms may have cropped up over time. Controllers can help lower any walls by building the bridges between departments and enlighten others on the long-term effects of various decisions. They can bring alignment. Controllers, in general, have expanded their reach. They have traditionally held pretty tight relationships with HR and customer service, but it becomes clear as the company grows more complex that they also need

to create strong connections throughout the company, from IT and procurement to distribution and manufacturing. Rise above the silos. Embed the finance team in other department meetings to help support the business, stay aligned and keep tabs on what's going on. The goal is to work collaboratively as partners, not as separate entities. Depending on the company's size and resources, this objective could be split among the finance team. One person could "own" the connection with another department and be responsible for going to occasional status meetings, to keep the rest of the finance team aware of changes.

Get to know marketing's agenda, for example, and even become a part of it. For some companies, one of the deepest chasms in communication is between the marketing and finance teams. Controllers can find their way across it by understanding the current objectives of the marketing team and how it's supporting sales. Could finance have a say on the four big objectives marketing has for the year and the projected effect on the rest of the company (what happens if they are successful and huge waves of orders come in at once)? Proactiveness is required, to stay in tune with the counterparts of other functions, to understand their goals and objectives.

Outside of the company, a great controller keeps in touch with partners. The better the relationships are with bankers, attorneys, accounting firms, insurance brokers and benefits providers, the easier it is to call them up at a moment's notice to get something done or solve a problem. It is wise to get a sense of likely scenarios and what other companies have done in similar situations.

To be sure, pretty much everything the company does end up on finance's desk at some point. A service rep makes a change to customer agreements, and finance will be the first see the effects. By offering support along the way, controllers can avoid surprises and help the company make optimal choices, based on their solid analysis.

## Find and keep top talent

Anyone in a management position needs to find a way to keep their employees enthused, and controllers are no exception. With finance and accounting especially, where skills are specialized and engaged employees can be hard to come by, controllers who up their game can make sure they have and keep a first-class team.

The best, most complete team may require calling in outside expertise to fill in the gaps or hold down the fort during a search for a full-timer, or it may mean outsourcing some tasks that are not needed all the time (56 percent of North American companies outsource their internal audits, according to the Institute of Internal Auditors). The best practice is to continually search for top talent. Tending to the talent pool is an ongoing endeavor. Keep connections open, and always put effort into networking to stay in touch with the market. You never know who can refer you to a finance rock star who's secretly burned out at his or her current job.

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Let this area slide and the entire team will pay the price. Without the appropriate resources, people get overwhelmed, procedures get missed, processes are overlooked. Mistakes happen (as do restatements—eek!). Anytime someone new is brought in, there's an onboarding and training time, and that can take away from other initiatives. Consulting pros are accustomed to jumping in and getting up to speed amazingly fast, but in general, new employees will need time to transition.

At the same time, keep employees enthusiastic and give them a reason to return every day. We have become embedded with hundreds of finance teams, temporarily becoming a part of their corporate fabric and seeing firsthand what keeps talented people rooted at their companies. What goes a long way is a feeling of empowerment and that their work is valued. Provide the team you do have with interesting and challenging assignments. Smart controllers empower their staff, giving their most talented folks reasons to stay around, and they actively recruit good people.

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## Tune up the technology

As much as technology has made controllers' lives easier, it's also added to the to-do pile. There's a pressing need to always be on top of the latest and greatest tools, to be sure the company is doing what it can to streamline processes. Savvy controllers always wonder whether there is a better way. How can we quicken the pace on laborious processes?

Time is short, though, making it a challenge to sift through software demos and seeing what others are saying about new products. Will a hefty investment today be looked upon as a smart one five years from now? Will the tech vendor still be around then to help with maintenance and updates?

Make gathering intelligence about technology solutions a habit, by regularly asking your network and your colleagues what they use, what they've heard about and what they've seen. And delegate. See what others in the team can do. Consider adding to their performance review that they need to bring one new process improvement idea to the table within a particular time frame. In this way, you're spreading out the review of what's out in the marketplace—ensuring nothing promising gets overlooked. Service providers can help too, as they are in the field and can report back on which tools are a godsend and which ones are buggy messes.

Any one of us can get stuck in our ways—unless it's clear there is a better method. We have seen companies process hundreds of invoices by day—by mail—and grown so accustomed to it that making a change seemed like an insurmountable project at first. But they get through it and see a payoff. For such a project, put one person on the finance team in charge. Give them ownership of it and they'll get the satisfaction of getting a project completed and seeing efficiencies gained.

Having the time to look at the technology out there is not something that can sit on one person's shoulders. Everyone is strapped for time. Be creative and spread the work. Ask around, when hanging out with colleagues or past peers, or when talking with outside experts on other matters, and see what they're saying and like to use in their work. You could end up with the hot new thing that will be a lifesaver for your department or the company as a whole.

## Conclusion

Superstar controllers transcend the basic job description. They have the specialized skills to create credible, accurate records, and they also know how to bring the information they gather to life. They're flexible in communications to make sure they're understood, they keep up with strategic decisions and activities throughout the company, and weigh in when they find potential improvements or efficiencies. It's made possible when they can keep up with the latest technologies and can keep their eyes and ears to the ground to know best practices in their field. Ensuring they have a talented team in place makes all the difference.

To provide optimal support for helping the company grow, controllers rely on seasoned finance aces who have stood in their shoes and who fully understood the challenges and travails of the role. Tap expert resources when you need a peer to bounce ideas off of, to help you catch up on a new accounting rule change, or to handle a mighty transaction that has been heaped onto the finance team's workload. Experienced pros can also help you get a better panoramic, 360 degree view of the business. When the right consulting partner has been chosen, they can provide valuable insights and actionable suggestions for the company's next move.

### About the author

Cheri Koehler is a seasoned finance pro at RoseRyan who is serving as interim controller at one of our life sciences clients in the San Francisco Bay Area. Before joining the finance and accounting firm in 2015, Cheri was vice president of operations at North Coast Medical and an accounting manager at Komag. She was also an accountant at Ireland San Filippo.

### About RoseRyan

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