

Rigorous Hygiene and Insights Plus Scalability

How to build a scalable Fractional CFO practice while ensuring client value through Bunker



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About me

My career has spanned 15 years in Private Equity (serving on eight corporate boards), nearly a decade as a CFO, and the last few years building my own Fractional CFO services firm. Throughout that career I've experimented with a multitude of technologies, like PowerBI, QuickBooks Sync and PowerQuery, to be as data driven as possible. I regularly write about all things related to finance and analytics in my [blog](#).



A client will typically hold me, as a Fractional CFO, accountable for all things finance and accounting, even if the books are done by an outsourced bookkeeper. Commoditized tools yield commoditized services.

Bunker is the first to elegantly marry deep strategic finance with equally deep controllership.

I knew that identifying the right tools to leverage in building my own practice would be critical and foundational to both service my clients with the seasoned CFO lens and maintain a highly scalable business of my own. Bunker has become my go-to tool to deliver CFO services at the highest level.

Commoditized tools yield commoditized services. Bunker brings the best of both worlds: software + excel. Both are plug & play, easy to use, and easily enable transaction level analysis and quality control.

Key pain points in providing Fractional CFO services



Accounting quality and controllership

The quality of the accounting data must be perfect and easily accessible



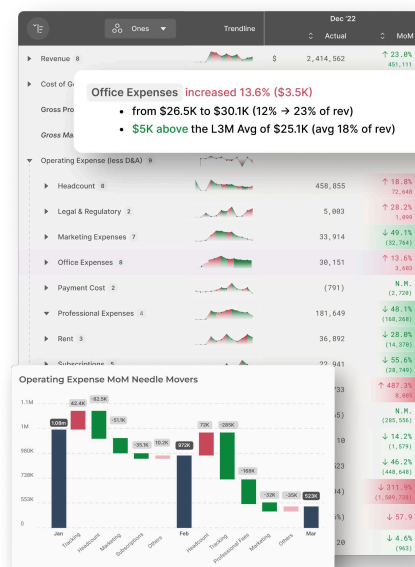
Strategic insights derivation and communication

Minimize the time needed for data setup, cleaning and organization so that time can be spent on strategic analysis



Scalability and repeatability

A fractional CFO needs a flywheel that spins through the enablement of common tools to all clients



Vendor Detail Selected Office Expenses

| Vendor | % of Total |
|--|------------|
| A Vendor Untagged | 15% |
| B PT Acme Pte Ltd across 2 accounts | 8.3% |
| C Alpha Technologies Building Maintenance Expenses | 5.4% |
| OEX5162 Purchase of toner cartrid | 4.9% |
| OEX3847 Purchase of paper, envel | 4.1% |
| OEX9203 Restocking of office pan | 3.6% |
| OEX1635 Office furniture repair sei | 3.0% |
| OEX4726 Purchase of storage box | 2.8% |
| OEX8157 Replacement of a broken | 2.8% |
| OEX9971 Pest control treatment fo | 2.8% |
| OEX3104 Fire alarm system inspec | 2.8% |
| OEX5182 Parking lot resurfacing ar | 2.8% |
| OEX6967 Internet and telecommur | 2.8% |

Count: 162
Avg Size (MoM): 186 ↑ 7.3%

Let's dive deeper into each of these points.

Controllership

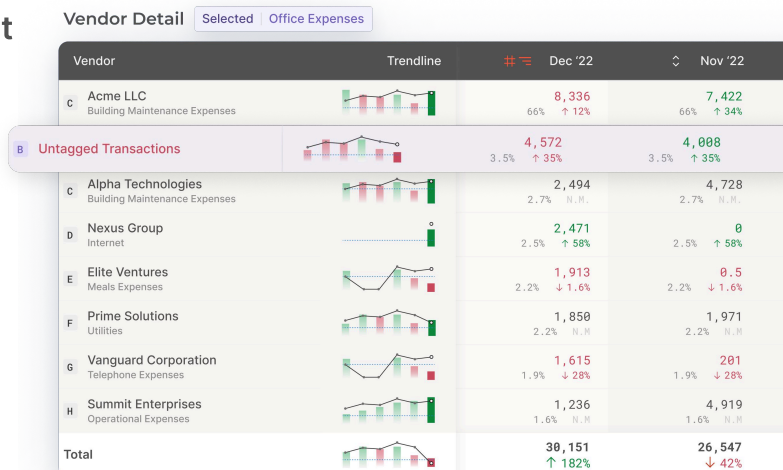
Diagnosing accounting hygiene, identifying nuances, and executing

One of the pain points of being a Fractional CFO is the gray area of controllership or accounting hygiene. Clients are often unaware of quality issues in their accounting data, and problematic organization of that data. From the get-go, it is imperative to analyze the accounting data and to do so effectively and quickly. Clients are often surprised by the changes needed upfront in the accounting systems. Understanding how the accounting is done, historical nuances like tax-related reclassifications and owner draws, and providing real time insights increase the time spent on set-up for high-level CFO services, and create communication difficulties with clients who are course-correcting their understanding of their accounting system in real-time. In order to be 100% effective and deliver value to the clients, I need to resolve the accounting issues first so that I can then deliver more strategic results.

The First 24-Hours of Connecting a New Client

I immediately get a deep and true view into the business, and this allows me to consistently spot issues due to Bunker's transactional-level drill-downs

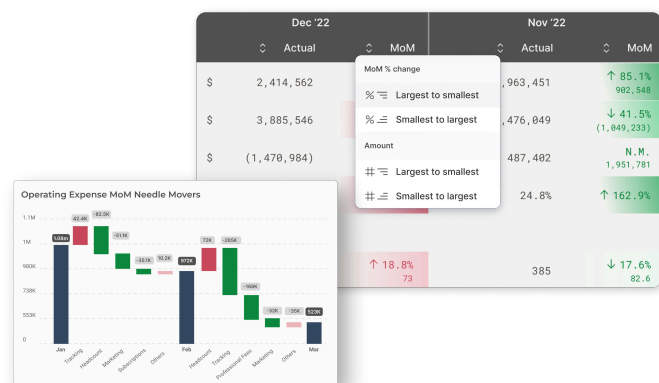
1. Key trends spanning the P&L, cash flow, AR aging, and customers / vendors
2. Common management misunderstandings re: gross vs. operating margins
3. Nuanced manual journals (bonus accruals, tax optimization, owner draws, re-classes, etc.)
4. Chart of accounts structure / organization
5. Mis/uncategorized transactions



I start with Bunker right away during client onboarding, so I can generate immediate insight into the books: trends, chart of accounts structure and deficiencies, mis/uncategorized transactions, and more. In these critical first 24 hours of connecting a new client, I can immediately spot issues due to Bunker's drilldowns, which are sortable and color-coded, laid out in a time series, and even exportable to Excel. I'm able to lay bare how diligent my client's bookkeeper or staff accountant has been, as well as build an action plan and go-forward SOPs to ensure quality accounting that results in fast and accurate business insights. Bunker makes getting up to speed on the accounting lighting fast and crystal clear.

The Last Mile

Reporting, insights, storytelling, and strategically partnering with management



Once the on-boarding triage is completed, Bunker becomes the backbone of the client's monthly close and monthly reporting. The system is easy to use and accessible by management and investors, which I encourage. Bunker's sorting mechanism not only preserves the chart of accounts structure, but is also color-coded for variances and can be toggled between MoM, YoY, and a percentage of revenue basis. This feature, combined with interactive waterfall charts, makes identifying and understanding variances an exercise that takes seconds.

Especially important for client communication is understanding when financials are moving due to the operations of the business vs. timing related journal entries. This exercise of diagnosing operations vs. timing driven moves normally requires back-and-forth communications among various stakeholders, and unwanted digging and screenshots from clunky accounting systems.

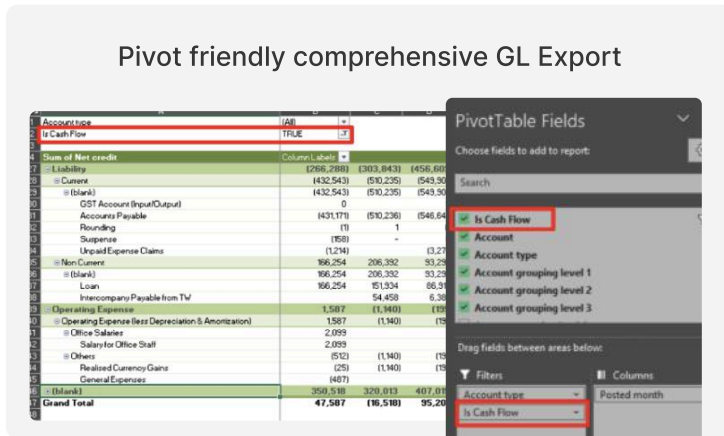
Waterfall charts, though extremely powerful, are an Excel tool of choice for me, and with Bunker they are built right into the system. No Excel needed. It takes one click, has a button for copy/paste, and is downloadable – easily accessible to use for management discussions and a crowd pleaser.

My Personal Favorite, the GL Export

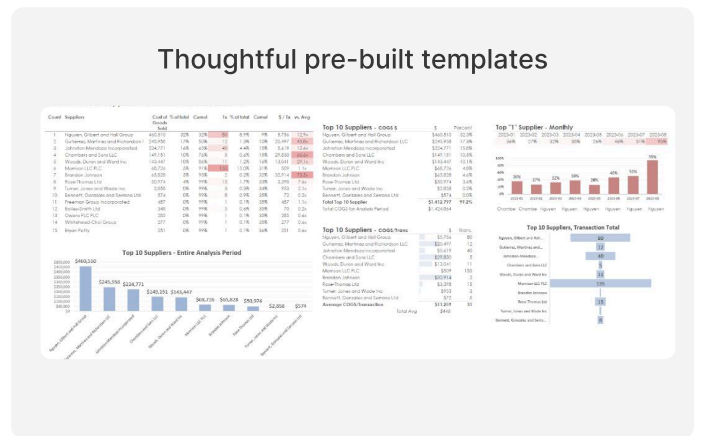
However, my personal favorite feature in Bunker is the excel GL export.

This file is structured such that it can be instantly pivoted in a clean manner across the chart of accounts for both the P&L and balance sheet, toggled between cash vs. accrual, and drilled down to the transaction level. The pivots are so rigorous that I don't need to write any formulas to get to insights, but if I wanted to, it would be easy.

Bunker also offers thoughtful pre-built templates that enable important insights like customer and supplier concentration.



Pivot friendly comprehensive GL Export



Thoughtful pre-built templates

The last mile of any finance job whether in-house or as a service, is storytelling.

Recently, I started recording management discussion videos using Bunker as the live analytics platform behind my commentary. In a recent video, I was able to asynchronously explain strategic observations around the efficacy of various spends, such as by comparing marketing channels against transactional revenue data to recommend ad-hoc capital allocation all to one audience using one platform, Bunker. These videos combined with the fact that my clients have user access to Bunker has been an absolute game changer for my practice. There is no game of telephone and misalignment of messages. One source of truth visible to all stakeholders. They now dive into financial dashboards at will - something they would never do in a traditional accounting system. This self-serve access has dramatically slashed the time I spend aligning with management on our financial pulse and future implications.

Concluding Thoughts

Ensuring that I'm building a scalable practice

With Bunker, I spend less time per client, while providing more strategic insights for each client. Also the lead time to get to this level of service is extremely quick, due to a Bunker-powered accelerated onboarding and more efficient monthly closes. Additionally, given the strategic differentiation I demonstrate to clients with Bunker's depth, versatility, and ease of use, my clients refer me new business. This one-two punch of efficiency and differentiation combines to set up a foundation for not only scalability but also sales velocity, referrals, and speedily and efficiently vetting those new opportunities.

Since using Bunker, I've been able to deliver more comprehensive financial insights than most large financial services firms, and in less time. Though I aim to be efficient with my time and practice, from a client perspective it's less about time and more about an elevated conversation for all things finance, accounting, and most importantly, strategy.

If you're not using Bunker, you're playing catch-up.

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Case Study

Direct-to-Consumer Services Company

Bunker Set-Up Time: 24 Hours 

Issues identified and fixed because of Bunker

1. Chart of Accounts lacked appropriate COGS accounts for true gross margin

Solution: Reorganized Chart of Accounts

2. 1,099 contractors not grouped as a single expense category

Solution: Reclassified all contractors into one category

3. Payroll API from Gusto to QuickBooks needed segmentation

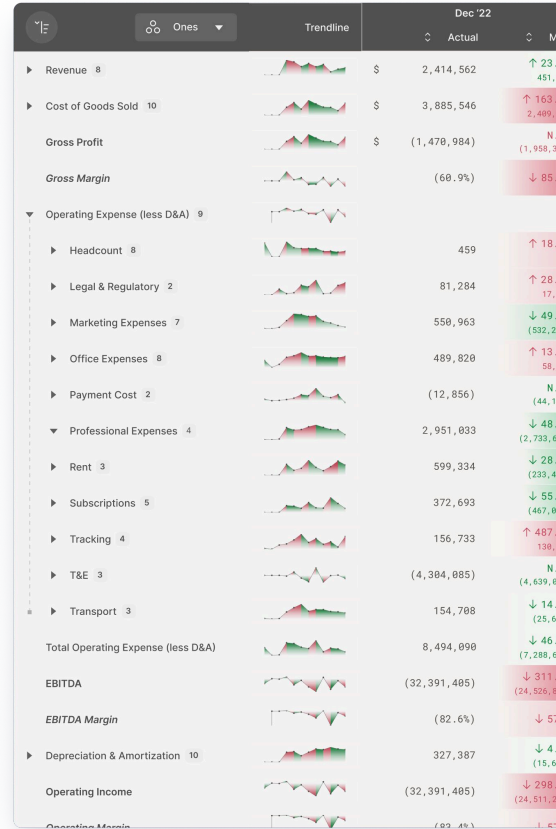
Solution: Create separated feeds for COGS and Opex payroll using new departments

4. Intercompany due-to/due-from accounts missing

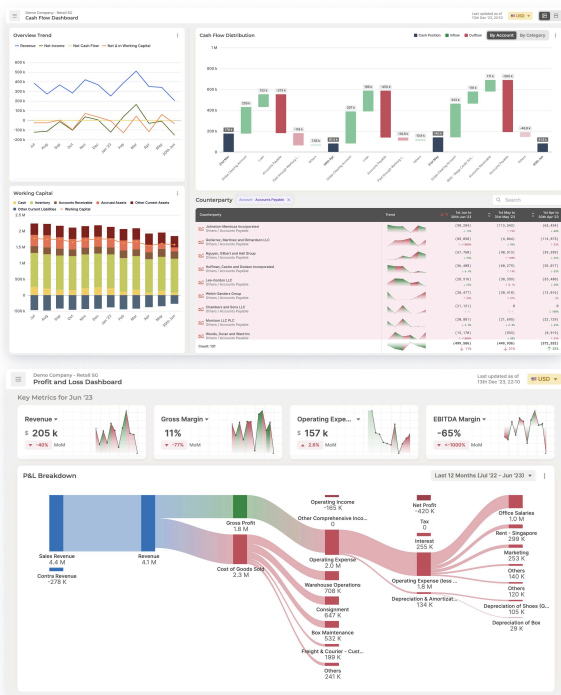
Solution: Created intercompany balance sheet accounts and segmented invoices

5. Revenue sometimes booked based on bank transactions, not invoices

Solution: Implemented receivables accrual process based on invoice date



| | Ones | Trendline | Actual | Dec '22 |
|------------------------------------|------|-----------|----------------|-----------|
| Revenue | 8 | | \$ 2,414,562 | ↑ 23,451 |
| Cost of Goods Sold | 10 | | \$ 3,885,546 | ↑ 163,249 |
| Gross Profit | | | \$ (1,470,984) | ↓ 85,198 |
| Gross Margin | | | (60.9%) | ↓ 0.5% |
| Operating Expense (less D&A) | 9 | | | |
| Headcount | 8 | | 459 | ↑ 18,177 |
| Legal & Regulatory | 2 | | 81,284 | ↑ 28,177 |
| Marketing Expenses | 7 | | 550,963 | ↓ 49,532 |
| Office Expenses | 8 | | 489,820 | ↑ 13,588 |
| Payment Cost | 2 | | (12,856) | N/A |
| Professional Expenses | 4 | | 2,951,833 | ↓ 48,273 |
| Rent | 3 | | 599,334 | ↓ 28,233 |
| Subscriptions | 5 | | 372,693 | ↓ 55,467 |
| Tracking | 4 | | 156,733 | ↑ 48,139 |
| T&E | 3 | | (4,304,885) | N/A |
| Transport | 3 | | 154,708 | ↓ 14,256 |
| Total Operating Expense (less D&A) | | | 8,494,090 | ↓ 46,728 |
| EBITDA | | | (32,391,485) | ↓ 311,245 |
| EBITDA Margin | | | (82.6%) | ↓ 5.2% |
| Depreciation & Amortization | 10 | | 327,387 | ↓ 4,156 |
| Operating Income | | | (32,391,485) | ↓ 298,156 |



Key Features Used For Financial Planning



P&L live dashboard for management discussion



Working capital live dashboard for cash management



GL download for custom Pivot and Visualization in Excel



Transaction drill down for entry quality control and trend analysis

About Salvatore Tirabassi

A seasoned leader with over 25 years of diverse industry experience. His career highlights include serving one eight corporate boards, 15+ years as a partner in private equity firms, a decade as a full-time CFO, and four years as a Fractional CFO.