January 24 2025

Questions for Fiat Growth - Should your CPG/Ecom Brand have a fractional CFO?

1. Can you describe the key responsibilities of a fractional CFO in a CPG or ecommerce brand? How do they differ from those of a full-time CFO?

At Fiat Finance, we take the guesswork out of your financial strategy. A fractional CFO isn't just a numbers person—they're your strategic partner, guiding your business toward profitability and scale. At Fiat Finance, our fractional CFOs:

- Create robust financial roadmaps to align your cash flow with growth goals.
- Optimize inventory systems to reduce waste, prevent stockouts, and maximize SKU profitability.
- Prepare investor-ready financial models and narratives that secure funding.
- Break down unit economics at a granular level, helping you understand what drives profitability.

We don't just manage your finances—we turn them into a growth engine. Our team ensures every decision you make is backed by precision and foresight.

2. What unique value does a fractional CFO bring to early-stage or scaling businesses in the CPG and ecommerce sectors?

Fiat Finance specializes in giving early-stage and scaling businesses the financial tools they need to grow. A full-time CFO might feel out of reach, but a fractional CFO offers tailored expertise at the exact moment you need it, at a price point you can afford today.

Our value lies in flexibility and precision. We've seen it all—across industries, funding stages, and growth challenges. That means we can anticipate what's coming next and guide you accordingly. For startups, we create scalable systems so you can grow without operational headaches. For scaling brands, we bring clarity to your financials, identifying opportunities and solving pain points.

With Fiat Finance, you don't just get a CFO—you get a team that's 100% focused on helping you win; the value from engaging a fractional CFO means that for the annual cost of one entry level hire (or less), you can have a team of people with years of experience working together to build core financial systems and processes that can scale with your company. When you are ready to build that internal team, a solid fractional finance partner can ensure that you are ready for a seamless transition to onboard your full time financial personnel.

3. What's your go-to template for allowing ecommerce brands to better track their finances and performance?

Our fractional CFOs work closely with each new client to build financial models to their specific terms. Our preferred financial projection and analysis tools include utilizing online dashboards that integrate with key ERP systems so that we can quickly review those key performance indicators that matter to our clients. Each of our clients care about seeing their data in different ways, and our teams will build the bespoke solution that suits their needs.

The most important source of truth for financial analysis is ensuring that the accounting system is kept up to date and reflects accurate data, whether that be from multiple sales channels, inventory management solutions, or other data inputs. From there, financial analysis can be built in whatever format a client prefers. The "template" for better tracking of financial performance can be very simple; the most important considerations are to create systems that isolate the driving operational levers, track the impact of those variables, and provide key personnel the information they need to make business decisions based on the analysis.

4. How does a fractional CFO help brands manage their finances more effectively? Could you give a specific example of a financial strategy that turned around the finances for one of your clients?

Growth isn't just about selling more—it's about scaling smart. At Fiat Finance, we drive growth by aligning your finances with your business goals. One ecommerce client came to us with high customer acquisition costs (CAC) and inventory issues. Here's how we turned things around:

- We reallocated marketing spend to focus on higher-value customers, cutting CAC by 30%.
- Introduced inventory financing to stabilize cash flow during peak seasons.
- Built a rolling cash flow forecast that gave them better visibility into their finances.

The result? A 40% improvement in cash flow and a clear path for scalable growth. At Fiat Finance, we specialize in turning financial complexity into competitive advantage.

5. From a cost perspective, how does hiring a fractional CFO compare to employing a full-time CFO? What factors should companies consider when making this decision?

Hiring a full-time CFO costs upward of $225,000 a year—not to mention benefits. For startups and growing companies, that's a massive expense. At Fiat Finance, we offer the same high-level expertise for a fraction of the cost, typically $4K–$8K per month.

Our fractional CFOs bring strategic insights without the overhead, helping you scale efficiently. We work on your terms—whether you need us for six months to build a turnkey financial foundation or on retainer for ongoing support. It's about giving you the flexibility to grow while keeping your finances in check.

When deciding whether to hire a fractional CFO, here are some key questions to answer:

- Are their values aligned with ours?
- Will they fully integrate as an extension of my existing team, or does it feel as if I'm sending my financial analysis to occur away from my key operational processes?
- Realistically, how much time per month needs to be focused on the financial back office?
- What is their experience within the CPG industry?
- What would be the first thing you do for the business?

6. How does a fractional CFO integrate with existing financial teams and processes? What challenges typically arise, and how are they addressed?

An advantage of hiring on a fractional basis is that our team's interaction with our clients exists on a spectrum. We can be as involved (or hands off) on pieces of a company's workflows as necessary, depending on what existing teams and/or processes are already built. Do you need a full stack financial solution from data entry all the way through strategic financial analysis and investor reporting? We can do that. Do you have specific pain points and capacity constraints where you are looking for workflow leverage? We can step in to specific pieces of your financial processes and provide your existing team additional capacity where they need it.

Challenges can arise where workflows aren't sufficiently defined or segmented. We work with you to build scalable processes that will enable an optimized month to month financial workflow and provide clearer, digestible financial insights to your business operations.

7. How can a fractional CFO drive growth for CPG and ecommerce brands? Could you share a success story where strategic financial management made a significant impact?

Technology drives everything we do at Fiat Finance. From QuickBooks and NetSuite for core accounting to Cin7 and Katana for inventory optimization, we make sure your financial systems are state-of-the-art. Our dashboards, powered by tools like Fathom, give you real-time insights into cash flow, revenue, and margins.

But tools are only as good as the team using them. That's where Fiat Finance shines. We combine cutting-edge tech with human expertise, ensuring your finances are accurate, actionable, and aligned with your goals. With us, you're not just keeping up—you're leading.

One example of significant impact: one of our CPG clients maintained a separate accounting system for a secondary brand. They had historically relied on their fractional finance team to manipulate the data and consolidate with the parent company's financials on an annual basis for tax reporting, but beyond that, there was no regular reporting available that consolidated both lines of business. We heard their frustration on the suboptimal workflow, and offered a solution; we would utilize our automation tools that allow us to generate months of journal entries within QBO in seconds, and consolidate the historical data so that our client could move forward utilizing one set of books, while allowing them to quickly analyze full company historical performance from inception. Our client was expecting to hire a contractor to spend 40-50 hours on the project; we were able to successfully complete the data migration in 15% of the anticipated time, directly contributing to material cost savings for our client.

8. What role do technology and financial tools play in the work of a fractional CFO? Are there specific tools or software you recommend to your clients to streamline their financial operations?

At Fiat Finance, we're ahead of the trends shaping the future of fractional finance. AI and automation are transforming how financial operations are run, and we're leveraging these tools to deliver real-time insights, better forecasting, and smarter inventory management. A key piece of every one of our engagements is our integrated workflow tool which automates a huge part of our day to day work within accounting systems (journal entries, invoicing, vendor/customer updates, etc.). By streamling reporting and data entry, our teams can spend time on more financial analysis, providing more value add to your financial process. Sustainability metrics are also taking center stage, and we help brands measure and report ESG impacts to meet consumer and investor demands.

Omnichannel complexity is another big one—managing DTC, retail, and marketplaces requires seamless financial integration. Our team ensures your systems are unified, giving you real-time visibility across all channels. The future is fast, but Fiat Finance ensures you're always ahead of the curve.

Finally, we are leaning into real time dashboard reporting and are recommending the functionality to all of our clients that are looking for a cleaner, more up-to-date methodology for keeping the pulse of key performance indicators and business operations. Our FP&A dashboards integrate directly to your accounting software and other data sources to provide you with live updates to the metrics that matter most.

9. What are the most common financial challenges that CPG and ecommerce brands face today? How does a fractional CFO help navigate these challenges?

A CPG client came to Fiat Finance struggling with underperforming SKUs and high holding costs. We dug into their data, identified the low-margin products, and phased them out, boosting overall margins by 15%. We optimized their inventory system, reducing holding costs by 25%, and developed an investor-ready financial model that helped secure $3M in growth capital.
This is what we do at Fiat Finance. We don't just manage your finances; we position you for scalable, sustainable success.

10. How do you measure the success of a fractional CFO in a client's company? What metrics or indicators are most important?

You measure a fractional CFO by their impact, plain and simple. Success looks like:

- **Better Margins**: Are your SKUs profitable, and are we improving your gross and net margins?
- **Stronger Cash Flow**: Do you have the liquidity to grow without stressing about payroll?
- **Actionable Insights**: Are your financial reports clear, timely, and driving smarter decisions?
- **Investor-Ready Numbers**: Is your financial story compelling enough to raise capital when needed?
- **Scalable Internal Processes**: Is your financial back office organized and ready to scale as your revenues grow? Have key standardized processes and workflows been documented so that they can be repeatable month over month even with personnel changes?

Ultimately, it's about building a foundation that makes you more efficient, scalable, and ready for whatever's next.

11. Looking ahead, what trends do you see impacting the role of fractional CFOs in the CPG and ecommerce industries? How should brands prepare to stay financially healthy and competitive?

The future of fractional finance is **tech-driven** and **data-powered**. AI, machine learning, and integrated financial systems are transforming how CFOs work. For CPG and ecommerce brands, that means:

- **Real-Time Insights**: AI tools will forecast demand, optimize inventory, and identify cost-saving opportunities faster than ever.
- **Sustainability Metrics**: ESG reporting is becoming a must-have for consumers and investors.
- **Omnichannel Complexity**: Managing DTC, wholesale, and marketplaces requires unified financial reporting across all channels.

Fractional CFOs who can harness tech while staying people-focused will drive the next wave of growth. For brands, it's time to invest in systems and partners who can keep you ahead of the curve; available technology allows you to automate many lower level tasks, which enables you to allocate more of their financial back office budget to higher level strategic advisory to drive growth even further.

Please add photos or send via email.