



ceocfointerviews.com
 All rights reserved!
 Issue: April 13, 2015



The Most Powerful Name in Corporate News

Financial Leadership for Large and Medium Sized Companies



Brett Frevert
 Managing Director
 CFO Systems, LLC

CEOCFO: Mr. Frevert, would you tell us the concept at CFO Systems?

Mr. Frevert: Our concept is, the middle market companies and entities need a CFO, but they do not need a CFO all day, every day of every month. There is also a collection of qualified CFOs that want to provide CFO expertise but cannot afford to be a CFO in a small company two or three days a week and an AP clerk the other two or three days. This is a good blend of bringing the CFO talent to the market and the market is able to buy as much as they need when they need it.

CEOCFO: Is there skepticism of the loyalty of someone who is not part of the company or is it readily accepted that this is a good way to go?

Mr. Frevert: It is accepted that this is a good way to go. We do still run into pockets of skepticism; in fact, just yesterday, we were meeting with a potential client and she was skeptical too. When we point out the fact that the average tenure of a CFO at a publically traded company is now down to 23 months and that over our ten-year history we have averaged over two years with every client, the concept of a “permanent employee” is completely gone. We have been with one client for 6-1/2 years and other clients for 4 or 4-1/2 years. We show people our business cards and that we can be CFO of two to five entities concurrently. We have the card, email and the direct line into the CFO office. We sign SEC documents and loan documents. We are part of board meetings and executive management. The skepticism evaporates quickly.

CEOCFO: What criteria do you look for on the client’s end and how do you fill the spots correctly?

Mr. Frevert: We have learned that the CFO skill set does transfer across industries. We have learned that the models and best practices that our CFO’s bring to various businesses do not have industry boundaries. I can take a CFO that has bank experience, trucking experience and has some understanding of the agriculture world and put him into a dairy business. He picks up the key drivers and nuances of the business and tailors standard models to add value very quickly. We find, particularly in the middle market, that industry understanding is important but what many of our clients are missing is strategic financial structure and disciplined planning and forecasting which can add significant immediate value. This structure and planning is a skill set that travels across industries.

CEOCFO: How do your people stay on top of the regulatory issues?

Mr. Frevert: We are voracious readers. We receive a stack of newsletters and regulatory updates related to every industry we are involved in. We work closely with audit and law firms. It is a shared responsibility.

CEOCFO: What intangibles do you look for in your CFOs?

Mr. Frevert: We have learned that we need to screen thoroughly. We often have people who contact us and say, ‘Call Joe, he is a good accountant.’ What we found with “good accountants” is the stereotypical accountant or CFO who has more difficulty embracing our model. We need somebody with energy and a dynamic style who can work with a dairy on Monday and Tuesday, a manufacturing company on Wednesday, and a construction company Thursday and Friday. We need somebody who can handle multiple clients and industries, and has an internal drive to keep going and help the clients grow.

CEOCFO: What industries are of focus?

Mr. Frevert: We sometimes joke that we will work with any industry that is legal and moral. What it means on a practical basis is, we work with any industry in our region, from banking, financial institutions, construction and manufacturing, daycare and senior care, high-tech, biotech, software and some professional services as well as some nonprofits. Our clients are generally aggressive business owners with growth companies not averse to taking calculated risks. We screen our CFOs to have similar entrepreneurial characteristics. In our model, you are more a business owner than an employee. We hire CFOs who can embrace and thrive in that world.

CEOCFO: *What has changed in your approach over time that makes the company better today than five years ago?*

Mr. Frevert: I need to have the supply on hand. In our early years, I tried to approach it more like a temp agency does where you get a call, somebody has a need, and then you scramble quickly to fill that need. I have reversed the model completely and I am trying to keep a supply of talent on hand. We have intentionally overstaffed. We have also learned that we need to screen. We are really looking for an entrepreneur with an accounting background. It is like the old tuna commercials where they said they are “not looking for a tuna with good taste but a tuna that tastes good”. We are not looking for good accountants; we are looking for good entrepreneurs with an accounting background.

CEOCFO: *How is business today?*

Mr. Frevert: It is just absolutely booming. Based on our 2013 growth, we won the Inc. 5000 award for fastest-growing companies. We just finished our 2014 financials; we had a 35% top-line growth and 2015 is already looking very good.

“We are not out-of-work CFOs looking to do consulting until we find a job; we are all here because we want to be here and we love the model and we enjoy working with a variety of clients. We enjoy working with the highly involved, high-energy entrepreneur that wants to see his business grow.” - Brett Frevert

CEOCFO: *Are you finding it easier or more difficult to find the CFOs in the current economic scenario?*

Mr. Frevert: I think I am finding it more challenging primarily because in the Midwest the unemployment rate is so low that it is very difficult to find talent at any level. On the flipside, that increases our demand. We have the good and the bad of it. We continue to beat the bushes on a regular basis and talk to any and everybody that we see that we meet. We are always looking for more. Our people are busy, growth continues, and we acquire another client every two to three weeks. Our goal is to add one more position every quarter.

CEOCFO: *Your website has a CFO Capital section and it mentions you work with mergers, acquisitions and specific transactions. Is that a growing area for you?*

Mr. Frevert: It is a growing area because we have had the CFO Capital for about seven years. Previously we focused a great deal on banking, some investor investments, some off balance sheet financing like leasing. In early 2014, we formally relaunched CFO Capital with a licensed advisor, John Gustafson He has the ability to solicit new investments and as a result, growth is through the roof. Now the two sides of the house work very well hand-in-hand. If clients come in to us seeking capital, we can engage. Oftentimes the middle market needs a strong CFO to come in, clean up the house, and develop a better presentation quality in order to launch a successful capital campaign. When we step back and look at our business especially on the capital side, there are is a significant number of baby boomers that are trying to figure out what to do next. Whether it is a wealth planner or the business broker or CFO Capital, there is an entity out there that can help them prepare for the next transition. The Midwest has a good collection of technology startups.

CEOCFO: *Why pay attention to CFO Systems?*

Mr. Frevert: You call CFO Systems because your trusted advisors trust us. You call CFO Systems because this is our business. We are not out-of-work CFOs looking to do consulting until we find a job; we are all here because we want to be here and we love the model and we enjoy working with a variety of clients. We enjoy working with the highly involved, high-energy entrepreneur that wants to see his business grow.

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine

For more information visit: www.cfosystemsllc.com

Contact: Brett Frevert 402.884.0066 bfrevert@cfosystemsllc.com

