

The virtual FD

It might not be the most obvious career move, but taking on a portfolio of part-time FD roles can be a varied and rewarding full-time job. *Alice Nixon*

The market for part-time, or virtual, finance directors is growing. Just typing 'part-time FD' into a search engine reveals a surprising number of companies who specialise purely in supplying FDs to companies on a part-time basis. One such company, FD Solutions, grew its revenues by an impressive 87% last year, and is busy expanding nationally – and even internationally, with new representation in Australia and New Zealand. And an increasing number of FDs are choosing to take on a portfolio of part-time roles rather than one single, full-time one. So what's the advantage for the client companies concerned, and why would an FD decide to take their career down the part-time route?

Expert assistance

Employers of part-time FDs range from small and growing businesses who require access to financial expertise and guidance but lack the funds to pay a full-time FD salary, to larger companies who want extra resources working alongside an existing financial team on specific projects, such as flotations, acquisitions and disposals.

The advantage for the companies is that they can obtain expert assistance on financial matters as and when they need it, without incurring the usual costs, risks and responsibilities of recruiting a permanent senior member of staff.

As Colin Mills, CEO and founder of the FD Centre, puts it: 'Companies get access to knowledge and experience to cope

with fast growth and difficult times, access to funding they otherwise couldn't get at, better ways to manage cash, more financial control over their business, improved profits, and someone to take ownership and the pain away from managing finance.'

Richard Brooks, a partner of FD Solutions, adds that his company's clients like the pay-as-you-go charging structure that FD Solutions offers. 'They can have a top-level FD when they want, often for a business that couldn't keep someone busy full-time.' Fellow partner Simon Walters adds: 'Occasionally we take on work for companies who are facing difficult times; they can't attract people from safe, secure employment elsewhere, and they like the fact that they can pay us by the hour with no severance pay when the job is finished.'

James Benson, managing director of FDUK, says: 'Lots of [larger] clients recognise that their full-time FD doesn't have time to deal with the day job and a transaction too. We may get brought in at the early stages of a deal, with the client knowing that if it doesn't go through, they're not tied in to continuing to use us.'

Benson points out that virtual FDs also have the advantage of being able to provide services that auditors are prevented from offering to their clients for ethical reasons – such as preparing accounts under US GAAP and International Financial Reporting Standards, and year-end accounting processes.

Challenging variety

For the FDs themselves, the appeal of part-time roles lies in the interesting variety of work, the challenge of juggling a portfolio of clients, and having to 'hit the ground running'. FD Solutions' chairman Malcolm Durham says: 'I always tell prospective employees that if they want to travel to work on the same train every day and sit at the same desk, this job is not for them.'

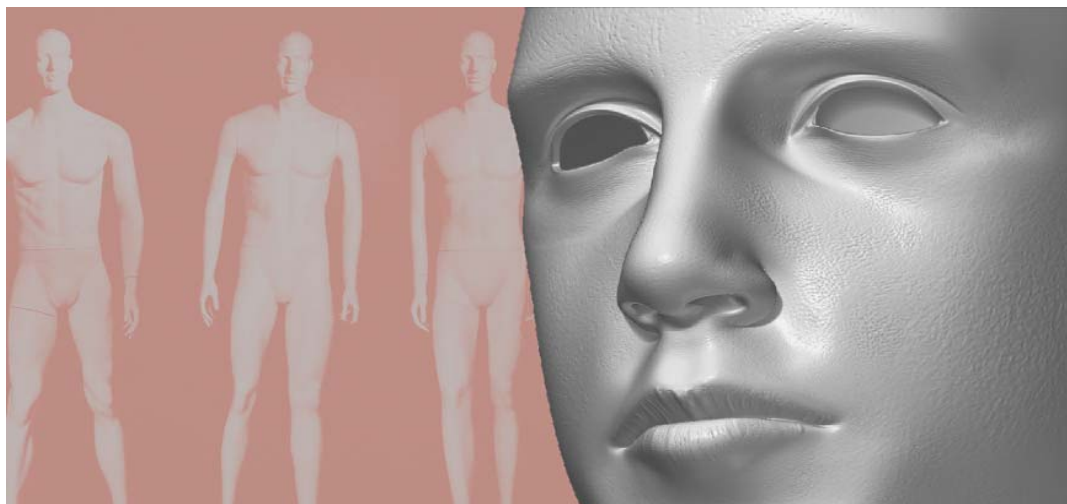
The variety of work involved means the FDs can gain further hands-on experience of a diverse range of specific projects, and build an all-round skill set.

One of the main challenges is time management and ensuring that each client's requirements are successfully completed on time. 'In some ways,' says Walters, 'the work itself is the easy part. It's being around whenever our clients want us that can be difficult.'

As a result, each FD at FD Solutions tends to only have four or five client companies, some of whom they'll work for one or two days a week, and others for an odd hour every so often. FDUK limits the number of clients per FD to around three 'to allow some spare capacity to deal with additional commitments that might be required'.

Broad experience

Another challenge is having the level of knowledge required in a range of industry sectors. Because of this, FDs have to have previously worked as a finance director or CFO and have a broad range of



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experience in a number of sectors, and in Benson's words, 'be something of an all-rounder'. FD Solutions says its employees need at least 10 years of FD experience. Its typical employee – or 'client finance director' as they are called – is in his 40s or 50s, and has 'bags of experience at board level under his belt'.

FDUK says it is more interested in the type of work undertaken in a full-time FD role rather than the length of experience. 'We are interested in functional expertise, the sectors that the FD has worked in and the range of responsibilities and projects that they have handled in their full-time role,' says Benson. 'Ultimately we need to ensure that the person can be seen as a "safe pair of hands" so he or she must have a good track record of managing a company's finances.'

He adds that those who have previously worked in an SME organisation are likely to have had a more hands-on role and be well-prepared for the day-to-day management of a small company's

financial affairs, while those from larger companies may be better suited to providing assistance to an incumbent FD on project related work.

Mills, of the FD Centre, points out there are three kinds of people who are particularly suited to the role. The first are career part-time FDs, typically in their 40s, who are 'looking for the challenge and enjoyment of a series of different roles'. The second are 'older guys' who are very experienced and want to give something back; 'they enjoy what they do and still have the energy to cope with variety'. And the third group are women with children who have 'terrific skill sets' but don't want to rejoin the job marketplace full-time. In this last category, the FD Centre has in its employ former FDs of Mothercare, Dell Computers and Threshers 'to name a few'.

Strong inter-personal skills and the ability to juggle clients and their demands is key when becoming a virtual FD. In one day, points out FD Solutions, you could be negotiating a line of credit for a

food importer client in the morning, fielding phone calls in the middle of the day from a client seeking advice on his management accounts, and then spending the afternoon in meetings with lawyers acting for a client floating on AIM. Broad experience of a range of industries and of a wide variety of accounting software is also important.

So how does the pay compare to that of a full-time FD post? FDUK says that, for a part-time FD working a full five-day week, the pay is much the same. Mills is more specific: 'anywhere between £70k and £120k'. FD Solutions pays its staff a 'good basic salary', on top of which they receive a percentage of billings from their portfolio of part-time work. 'The salary, plus the billings commission, and the twice-annual bonuses on top, give each FD a gross somewhere between £75,000 and £100,000 a year'.

All claim that few part-time FDs ever decide to return to full-time permanent roles. As Mills puts it, going part-time tends to be a life choice.