

A low-angle photograph of three business professionals walking past a modern building with large glass windows. The image is overlaid with a teal tint. On the left, a man in a white shirt and dark trousers walks with a shoulder bag. In the center, a man in a dark suit and glasses walks. On the right, a woman in a light-colored blazer walks while holding a coffee cup.

2023 Report

The Size of a Finance Team

A comprehensive review of the average size of finance functions during a company's life cycle



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Foreword

Modern-day finance functions are an essential part of any successful business. They play a critical role in driving growth, innovation, and sustainability through the strategic management of resources, data, and insights. Yet despite their importance, many companies struggle to determine the size of their finance team as they scale up.

Traditionally, finance functions were primarily focused on administrative processes such as processing transactions, bookkeeping, and statutory compliance. Team members would spend the majority of their time behind closed doors crunching numbers. This resulted in a misconception of what finance offers to the wider business and resulting underinvestment towards its people, processes, and systems.

However, in recent decades, finance teams have transitioned from an administrative support center to a value-enhancing function. They are now expected to go beyond their traditional remit to become a true business partner. This involves developing long-term strategies, driving future performance, and acting as a catalyst for change.

The remit of a modern-day finance function requires teams to be highly versatile and possess a diverse range of skills and experiences. As their role has evolved, they have become increasingly involved in non-finance activities such as supporting the wider business, analyzing strategic investments, and delivering the business plan. They also play a lead role in fundraising and M&A activities and must deliver the demands of ESG reporting amid a changing regulatory landscape.

To meet these new challenges, companies need to find the right balance between hiring experienced financial professionals and implementing the latest technology solutions. There are numerous factors that impact how many people should be part of the finance team; from company size and stage to its cost base and growth ambitions. Additional considerations include a company's group structure, number of legal entities, and level of outsourced activities.

The average cost of a finance function in large enterprises is 1.4% of revenues, with research suggesting that well-run companies can reduce this to around 0.7%. However, the percentage is much higher for early-stage companies which typically need at least 3-4 people to deliver the full requirements of an impactful value-enhancing finance function.

GrowCFO's report, *The Size of a Finance Team*, provides valuable insights to help companies make informed decisions about their finance functions during the early stages of their business life cycle journey. We hope that our market research, company benchmarking, and detailed analysis will be an inspiring resource for business leaders looking to build the finance teams of the future that deliver sustainable growth and long-term success.



Dan Wells,
Founder & CEO of GrowCFO

“Modern-day finance functions must support the chief executive and leadership team in driving the business by providing forward analysis and a robust understanding of the company’s performance. As a finance leader, you’ve got to understand where your finance team sits in the business, what role it plays right now, and what role it needs to play in the future. You must build efficient processes that effectively manage risks, deliver compliance, and support data-driven decision-making.

This requires the right-sized team comprising certain types of individuals who you know are going to perform, such as commercially minded people who possess strong business partnering and data skills. To achieve this, you will face some straightforward decisions, but you’ll also have to go through a very hard process, which will be emotionally difficult and is likely to involve people challenges. However, if you’re confident in your outcome, then you will eventually emerge in a much better place.”

Julian O’Neill
Experienced CFO, CEO and NED



1. Average Finance Team Size

Being a finance leader in a dynamic, high-growth business presents unique challenges. While it can be incredibly exciting and rewarding to watch your organization grow, it's not always easy to manage the complexities that come along with it. One of the most difficult decisions you have to make is determining the ideal size of your finance team: too big and you can end up overburdening your team and your budget, too small and you can find yourself unable to keep up with the workload.

It's important to remember that there is no one-size-fits-all solution when it comes to determining the size of your finance team. What works best for you will depend on a variety of factors, including the size and scope of your business, your current financial goals and objectives, and the skill sets of your current staff. To make sure you're making the best decisions for your team, it's important to take a holistic approach that takes into account all of these factors.

GrowCFO reviewed a large sample of international businesses during each stage of their company life cycle by quantifying their company headcount, annual revenues, and average finance team size. We benchmarked these results to provide the finance leader and business community with essential insights to help you build a modern-day finance function that preserves the assets of your company and delivers your key business requirements.

GrowCFO Market Research



GrowCFO's research journey into the size of finance teams was a comprehensive and inspiring exploration. After gathering vast amounts of market data, benchmarking the size of finance teams in different stages of growth, and interviewing hundreds of finance leaders from startups to large corporates, we uncovered the ten key considerations that make up a finance team size.

By comparing these to the company headcount and annual revenue, we were able to determine low, medium, and large ranges for each stage of a company's growth journey. This enables finance leaders to factor in their company's unique circumstances when estimating the required size of their finance team through their company life cycle.

Our research was a truly enlightening experience, providing us with the knowledge and insight to help guide businesses on their journey. With our findings, companies can make informed decisions about their finance team's size and better allocate resources for future growth. Additionally, the insights raised throughout this report allows finance leaders to determine best practice for building an efficient and effective finance team that fully supports the business on its path to success.

The Average Size of a Finance Team

The following table presents the average number of Full Time Equivalent (“FTE”) employees in a finance team during a company’s growth journey split between low, medium and high based upon factors that typically impact the team size:

| Company size | | Average finance team size (FTE) | | |
|--------------|-----------------|---------------------------------|--------|------|
| Employees | Group revenue | Low | Medium | High |
| 1-10 | Nil - \$1m | 0.5 | 0.8 | 1.2 |
| 11-25 | \$1m - \$5m | 1.0 | 2.2 | 3.5 |
| 26-50 | \$5m - \$10m | 2.5 | 4.1 | 6.0 |
| 51-100 | \$10m - \$25m | 3.2 | 5.3 | 7.9 |
| 101-250 | \$25m - \$100m | 5.1 | 8.6 | 14.3 |
| 251-500 | \$100m - \$500m | 11.9 | 14.7 | 20.6 |
| 501-1,000 | \$500m - \$1bn | 14.8 | 19.2 | 27.4 |
| 1,001+ | \$1bn+ | >25 | >35 | >50 |

Source: GrowCFO market research



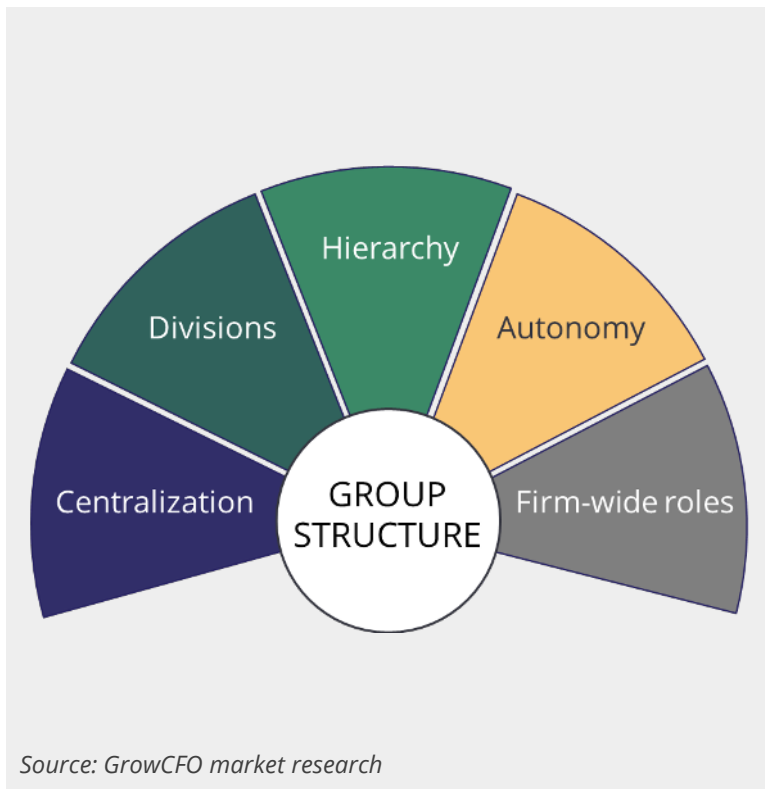
2. Key Consideration Factors

We calculated the Full Time Equivalent (FTE) headcount size of the average finance team across three levels of finance function requirements defined as Low, Medium, and High. These categories consider the following ten factors that typically impact the required number of people:

1. **Group structure:** The complexity of the group structure, number of divisions, level of centralization, divisional autonomy, hierarchical layers, and individual finance teams.
2. **Number of entities:** The statutory entities within the group and their individual requirements, for example, bookkeeping, documentation, reporting, and other legal considerations.
3. **International:** The challenges of doing business in international territories, such as overseas subsidiaries, office locations, places of employment, local rules, cross-border transactions, and other territory-specific challenges.
4. **Level of complexity:** The complexity of the business activities, accounting, and reporting requirements based upon the nature of the company, ownership structure, industry sector, and future business strategy.
5. **Nature of transactions:** The nature of the company's transactions such as the volume of repeat transactions, the complexity of contracts, challenging activities, transaction values, and currencies.
6. **Investor relations:** The frequency and nature of requirements driven by the company's ownership structure, level of public interest, type of investor, and board structure.
7. **Fundraising and M&A:** Multiple fundraising rounds, buy-side acquisitions of other companies, shareholder liquidity events, other M&A activity, and exit strategies.
8. **Regulatory requirements:** The company's exposure to regulatory requirements based upon its industry sector, trading activities, ownership structure, geographies, and other relevant factors.
9. **Technology:** The level of technology sophistication across the business and its ability to automate business processes, streamline data processing, and simplify reporting to reduce the burden of manual demands on the finance function.
10. **Outsourcing:** The number of finance function activities that are outsourced to a third-party provider and their nature, thereby reducing the corresponding workload of the in-house finance team.

To estimate the required size of your finance team, finance leaders should benchmark your company against these ten factors to determine whether you meet an overall Low, Medium, or High ratings classification. The following ten slides present more details on each factor.

Group Structure

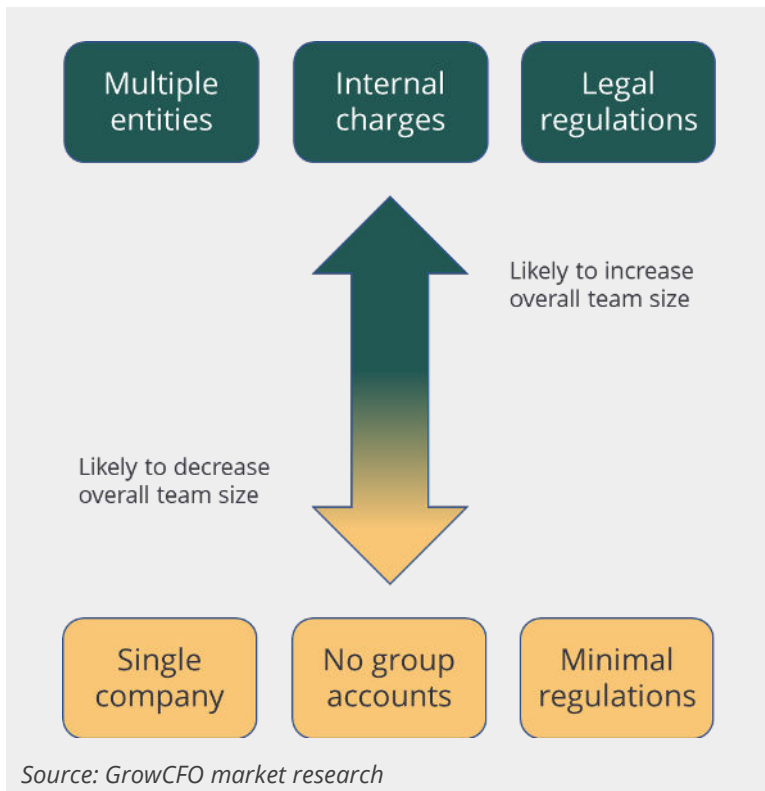


The structure of a company's group greatly affects the size and scope of its finance function. For example, companies with multiple divisions tend to have a larger finance function as each division needs separate accounting and financial management. Companies with complex operations also typically require more robust finance functions due to their need for greater levels of coordination between departments.

On the other hand, companies with less regional autonomy may have smaller finance functions as they can perform more tasks centrally within the group team. Furthermore, companies that adopt a flat hierarchy instead of one defined by tiers will usually require fewer managers in their finance departments.

By understanding how its structure affects the size and scope of its finance function, a company can create an effective long-term strategy to ensure it has enough resources dedicated to its financial health. Where appropriate, centralizing certain functions and creating firm-wide roles can help reduce redundant work, streamline processes, and simplify management responsibilities.

Number of Entities



The number of entities within a company's group structure can have a significant effect on the size and complexity of its finance function. An increase in the number of entities means that there are more legal requirements to satisfy, as well as additional accounting records to prepare. On top of this, many internal charges may be levied to recognize the activities being performed by different entities.

For finance teams, these complexities can lead to a significant increase in workload and demand for specialized skill sets, such as preparing and filing both individual company and group accounts, international tax planning and compliance, and additional bookkeeping. It also involves a lot of effort to ensure that internal charges are accurately allocated across different entities.

However, it can also bring benefits in terms of offering more flexibility when it comes to supply chain management, winning business, and tax planning. This can be particularly advantageous for large corporations managing multiple entities worldwide and businesses with autonomous divisions.

International

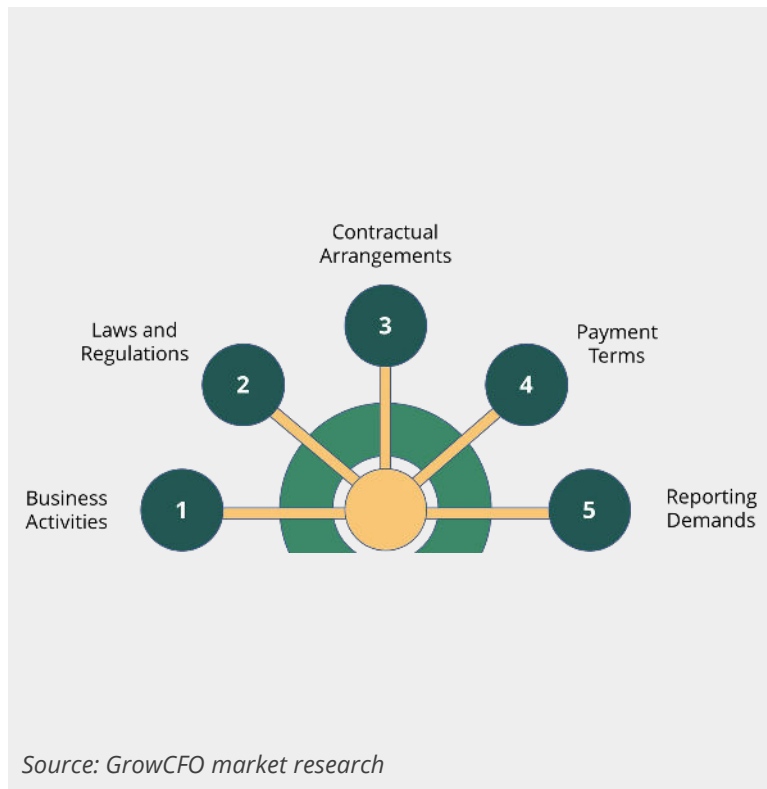


The world of business is becoming increasingly global, with companies now operating in multiple countries. This means that there are a variety of financial and legal considerations to take into account when running a large international operation. As such, the size of a company's finance function needs to be considered when it comes to managing an international business.

As a company expands into more territories, it will likely require a larger finance function. This is because there are more complex regulatory and compliance requirements to consider across different markets, as well as multiple currencies, taxes, and accounting standards. Furthermore, with a larger finance team, the company will have access to specialist advice on how best to manage its finances in each country it operates in.

All of this means that a larger finance team can help to ensure the company is able to maximize its profits and minimize its risks. On the other hand, having too large a finance function may lead to inefficiencies as well as increased costs, therefore it is important to find the correct balance for your business.

Level of Complexity

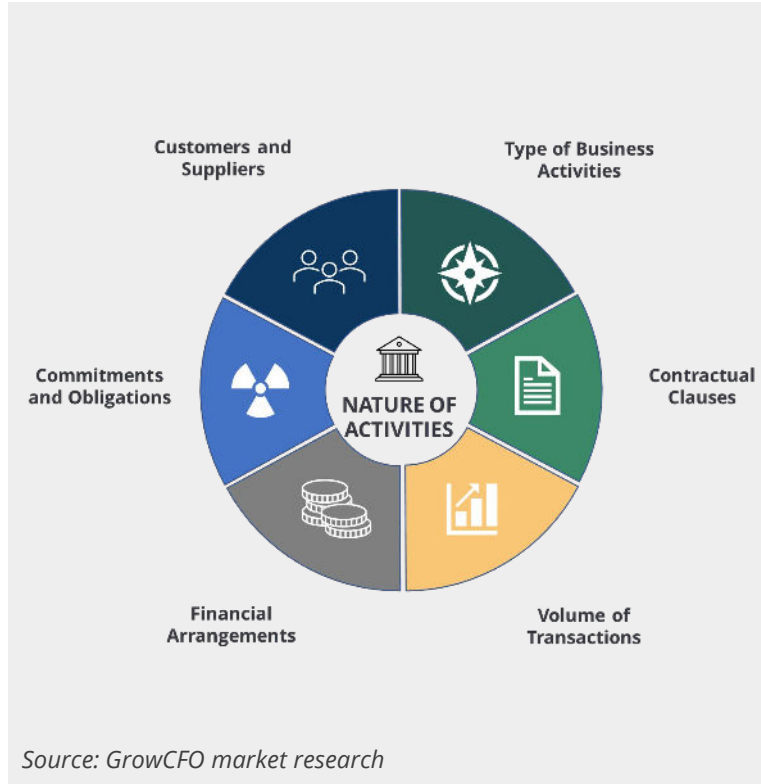


As businesses grow and become more complex, so too do the financial operations they need to manage. This typically increases the size of a company's finance function, which can be essential for ensuring success and profitability.

The complexity that drives the growth of a company's finance function depends on a wide range of factors. For example, the industry sector will dictate the level of financial expertise required to meet legal and regulatory requirements. The risk factors associated with particular transactions can also have an impact on the complexity of a finance function. Additionally, contractual terms such as payment schedules, timetables, and reporting requirements can also add another layer of complexity.

These are just a few examples of the many complexity factors that impact the size of a company's finance function. An effective finance function is key for ensuring financial stability and performance. Therefore, it is essential that companies invest additional resources within the finance function to ensure compliance and support the delivery of the overall business plan.

Nature of Transactions

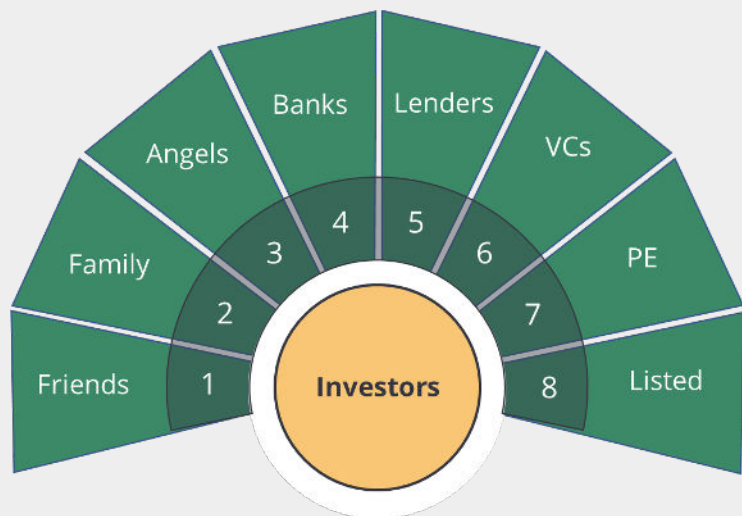


The size of a company's finance function will be closely linked to the nature of transactions within the business. When a company is conducting significant amounts of transactions, whether they are purchases or sales, the finance function must provide financial advice and guidance to ensure that those transactions are accounted for and processed correctly.

Furthermore, the type of business activities and transactions a company is engaged in can also impact the size of its finance function. For example, if a business is heavily involved in complex financial instruments such as derivatives or debt securities, then it will likely need to employ more skilled personnel within its finance department to manage these activities.

There are many factors that impact the nature of a transaction, such as the size and complexity of the deals, the circumstances of customers, suppliers, and other third parties involved, and the level of risk associated with each transaction. Companies must ensure that their finance functions are appropriately resourced for any transactions they may be conducting.

Investor Relations



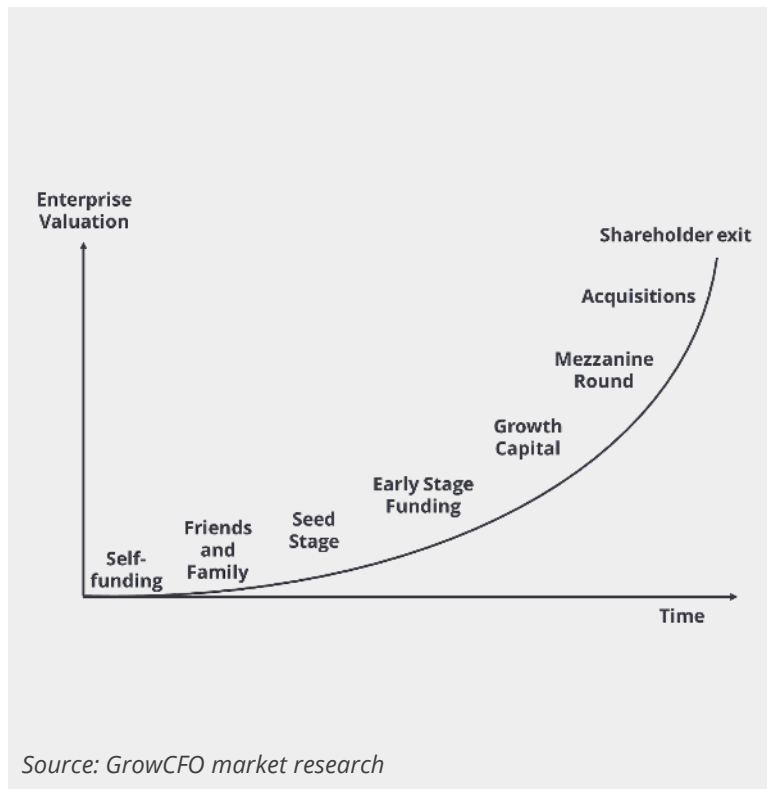
Source: GrowCFO market research

Raising capital is essential for any business to grow and thrive. The number of investors is likely to have a direct impact on the size and scope of a company's finance function. A larger investor base means that more resources need to be devoted to managing relationships, understanding capital markets, and complying with investor requirements such as financial reporting.

The types of investors and their level of interest will also influence the size of a company's finance function. For example, if the company has multiple private investors who are able to provide larger sums of capital but are relatively hands-off with regard to the day-to-day operations, then it will require less attention than a more heavily involved venture capitalist. Conversely, if a company is publicly traded or has multiple institutional investors who require regular updates and additional reporting, then that too can increase the size of its finance team.

Finally, board structure can also play an important role. Having board member investors with expertise in finance, accounting, and economics may reduce the overall burden on finance.

Fundraising and M&A

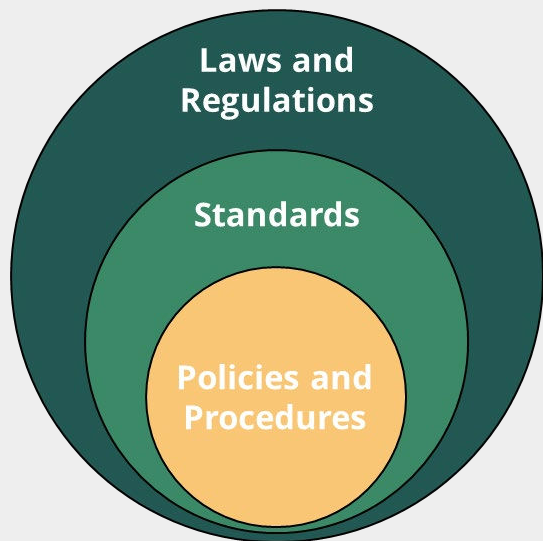


Raising funds and executing M&A activities can be a daunting but rewarding endeavor for any company. It requires the finance team to be highly skilled at financial modeling and analysis, as well as having an intimate understanding of the capital markets, both public and private.

Finance functions play a key role in fundraising and M&A activities, and are likely to lead many key workstreams throughout. They must help a company anticipate potential issues that may arise from M&A activities and be able to mitigate them before they become problems. This requires a high degree of expertise, as well as sufficient time to focus on these tasks.

The finance team must also ensure that stakeholders are kept informed and updated throughout the process, while simultaneously managing and mitigating any risks associated with fundraising or M&A activities. The above activities will likely increase the size of a company's finance function due to the need for additional resources to handle the complexity and responsibilities to make such transactions a huge success.

Regulatory Requirements



Source: GrowCFO market research

Regulatory requirements can have a major impact on the size of a company's finance function. Increased compliance costs, restrictions on certain activities, and specific capital requirements are just some of the many examples of this.

When regulations change, companies must often hire more personnel to ensure they stay compliant. This can significantly increase the size of the finance team, which may require additional resources to stay on top of all regulation changes. Companies must also invest in new technology and systems to monitor transactions and risk data more efficiently. This can mean additional personnel or require existing employees to have specialized skills in order to manage these tasks.

Regulations can also restrict certain activities that the company can take part in, which may mean that certain positions within the finance department are no longer necessary. This could lead to reducing headcount and shrinking the size of the team. As a result, departments may need to become more efficient or specialize in certain areas while minimizing non-essential activities.

Technology



Source: GrowCFO market research

The quality of a company's technology systems can have a dramatic effect on the size of its finance function. With the right technology in place, companies can streamline their processes and more efficiently reduce manual demands on finance, freeing them up to focus on more value-added activities. In addition, these systems can automate data processing significantly reducing the time spent on data collection, data input, and reporting.

By implementing the latest technology solutions such as Optical Character Recognition ("OCR"), Enterprise Resource Planning ("ERP"), Artificial Intelligence ("AI"), Robotic Process Automation ("RPA"), and Digital Transformation ("DT"), finance leaders can streamline processes and scale up with far fewer resources.

Investing in quality technology systems is an investment in the future of a business. It not only reduces cost and improves efficiency, but it can also provide greater insight into their operations. Companies with strong technology systems can identify potential areas for improvement, allowing them to make better decisions faster and stay ahead of the competition.

Outsourcing



Outsourcing is a great way for companies to increase the efficiency of their finance teams. It enables businesses to free up internal resources and focus on more important tasks that generate greater returns. This not only allows them to reduce costs but also helps them stay competitive in the market by accessing specialized skills and technology capabilities from the third-party provider.

Moreover, outsourcing can help decrease the size of a company's finance function. Handing off non-core activities such as accounts receivable and payroll processing, allows finance to focus on higher-value tasks such as business partnering, board reporting, and competitor benchmarking. In aggregate, this may reduce the overall headcount in the finance function and maximize cost savings throughout the team.

Overall, outsourcing can be a fantastic way to generate greater returns while optimizing the finance team's resources. However, companies must weigh this up against the risks of entrusting sensitive data and key business processes to a third-party provider, which may restrict the scalability of such operations.

Finance leaders may want to ask yourself:

- Does our current finance team have the right skills and experience necessary to meet our goals?
- What are the opportunities for upskilling or cross-training our existing staff?
- How can we ensure that our team is equipped with the right technology for success?
- Are there additional resources that can be leveraged to help the finance team achieve its objectives?



3. Growing Your Team

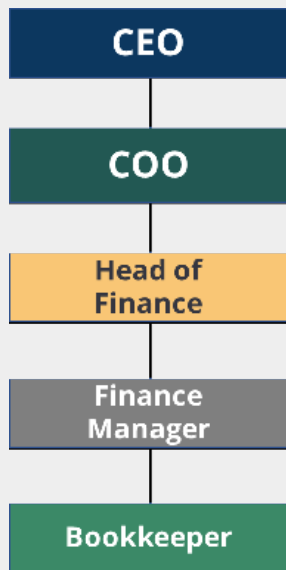
As a finance leader, you have the opportunity to be at the forefront of your organization's evolution. While it may seem intimidating to take on such a huge task, there are some fundamentals that can help guide you as you advance your team and create an environment where financial longevity is ensured.

First and foremost, focus on creating agile processes and structures that can grow with the business. This means implementing technology solutions to automate mundane tasks, streamlining processes, and creating a culture of continuous improvement. Additionally, it's essential to invest in upskilling your team members so they stay ahead of the curve when it comes to financial knowledge.

It's also necessary to develop a long-term strategy that considers the evolution of the business, customer needs, and economic trends. With this in mind, make sure you regularly review your cost structures and organizational capabilities to ensure both efficiency and scalability.

By proactively addressing these core areas of leadership, you'll be able to help your organization successfully transition from startup to scaleup to large enterprise. With a well-rounded team, streamlined processes, and an eye for the future, you can prepare your business for any growth opportunity. It's an exciting journey that requires dedication, discipline, and foresight - but with the right strategies in place, you can ensure your organization's financial success.

Team Structure (1/2)



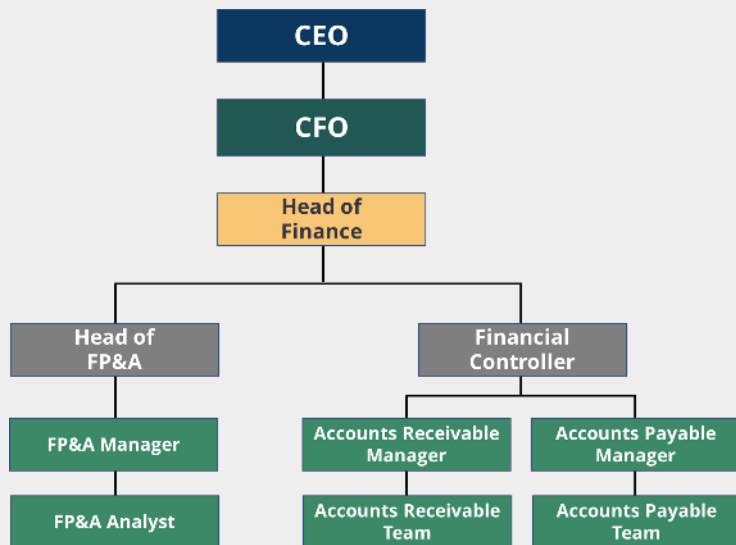
An example of a startup finance team

In an established business, the finance leader will likely report directly to the CEO, although the initial head of finance may report to another board member such as the COO. When it comes to designing a finance team structure, there are several key considerations. The first big decision is to determine the first team hire. This will create the foundation of your finance team and set the tone for future hires, so make sure you choose wisely.

The next thing to consider is how many direct reports you should have. The number of direct reports will depend on the size and scope of your business, as well as what kind of financial expertise is required. It's important to make sure that you have enough managers and specialists to ensure proper oversight and coverage for all finance matters.

You may also need to consider whether to split the Controller and FP&A (Financial Planning & Analysis) activities. These are crucial roles that may divide into two sub-teams or combine within specific roles. In some instances, these may replace the Finance Manager and Bookkeeper roles, depending on the team's needs.

Team Structure (2/2)



An example of a scaled up finance team

Finance leaders must also decide how many tiers there should be in their team hierarchy given the complexity of their organization and the amount of financial knowledge required. A flat structure may be more suitable for a smaller organization, while a larger company may require multiple levels of management.

Finally, you should think about which specialists to bring into the team. Depending on your needs, this could include treasury experts, finance business partners, and data scientists. Having the right people in place with the right skill sets will ensure that your finance team is well-equipped to handle all of your business's financial needs.

Designing a finance team structure can seem daunting, but with careful consideration and forethought, you can create a structure that is well-suited for your organization and its goals. By taking into account the various factors discussed above and making sure you have the right people in place, you can create an efficient and effective finance team that will benefit your business for years to come and add significant value to your key stakeholders.

Roles and Responsibilities

One of the most important factors in determining whether a finance team will be successful is assigning the right roles and responsibilities to each person. There are many factors that will help create a high-performance team and everybody in the finance function plays a role in this, including:

1. Fulfilling each task requirement: You need to make sure that the person you are assigning the task to is capable of completing it. If they are not, it will only lead to frustration and a feeling of inadequacy.
2. Time available to complete each task: You should consider the amount of time each person has available to complete the task. If someone is already stretched thin, they may not be able to complete the task to the best of their ability.
3. Level of supervision: The level of supervision required for each task should also be considered. If a task requires a lot of supervision, it may be better suited for someone who has a line manager with more available time.
4. Training requirements: If a task requires specialized training, it may be better suited for someone who is already familiar with the underlying skills or has the desire to advance their career.
5. Playing to people's strengths: You should consider each person's strengths when assigning tasks. If someone is particularly good at a certain skill, they may be better suited for a task that requires the skills they already possess.
6. Providing variety: It is important to provide variety in the tasks each person is assigned. If someone is always doing the same thing, they may become bored, and their performance may suffer as a result.
7. Challenging each person: Everybody should be challenged in their role within reason. If a task is too easy, it may not provide enough motivation for the person to do their best or to develop their skills and grow their future career.
8. Giving new experiences: It is important to give people new experiences. If someone is always doing the same thing, they may not have the opportunity to try out other things or grow in their role, which may demotivate them.
9. Learning new skills: Each person should also have the opportunity to learn new skills. If a task is too difficult, it may be discouraging, and the person may not learn anything new.
10. Exposure to other people: Individuals should also be exposed to other people. If someone is always working in isolation, they may miss out on important networking opportunities, including more senior internal and external stakeholders.

Whatever your approach, it is important to make sure that everyone on the team understands what their role is and what is expected of them. This can be accomplished by creating a shared document that summarizes this, alongside holding regular meetings and going over each person's responsibilities.

Finance leaders may want to ask yourself:

- Which roles and responsibilities do we need to prioritize?
- How many direct reports, hierarchical layers, and sub-teams do I need within my finance function?
- Where can we use technology and automation to speed up processes?
- Do we need to expand or restructure our current financial team?
- What must we do to ensure that our processes are agile and capable of scaling up with the business?



4. Skills and Experience

Having a strong finance team is essential for any business. It helps ensure that the company's financial resources are managed efficiently and effectively and provides key insights into trends and opportunities.

A great finance team requires more than just technical knowledge; it needs a combination of skills and experience to be successful.

The most important skill for any finance team is the ability to communicate complex financial information in an understandable manner. Finance teams need to be able to interpret and articulate data in a way that non-financial stakeholders can easily understand and apply. They should also have a good understanding of business operations, market trends, and consumer behavior so they can identify potential opportunities or areas for improvement.

In addition, a strong finance team should have the experience to back up their decisions and provide sound guidance. They should be familiar with the different types of business strategies and how they can impact long-term success. Having insight into corporate governance and financial risk management is also essential, as it helps teams make informed decisions that will benefit the company in the long run.

Ultimately, a great finance team is composed of a group of talented individuals who have the skills and experience necessary to help a company achieve its goals. They need to be able to think strategically, interpret data effectively, and make well-informed decisions that will drive business success. With the right combination of knowledge, experience, and communication, a strong finance team can be an invaluable asset to any organization.

Finance Function Requirements



Source: The GrowCFO Competency Framework

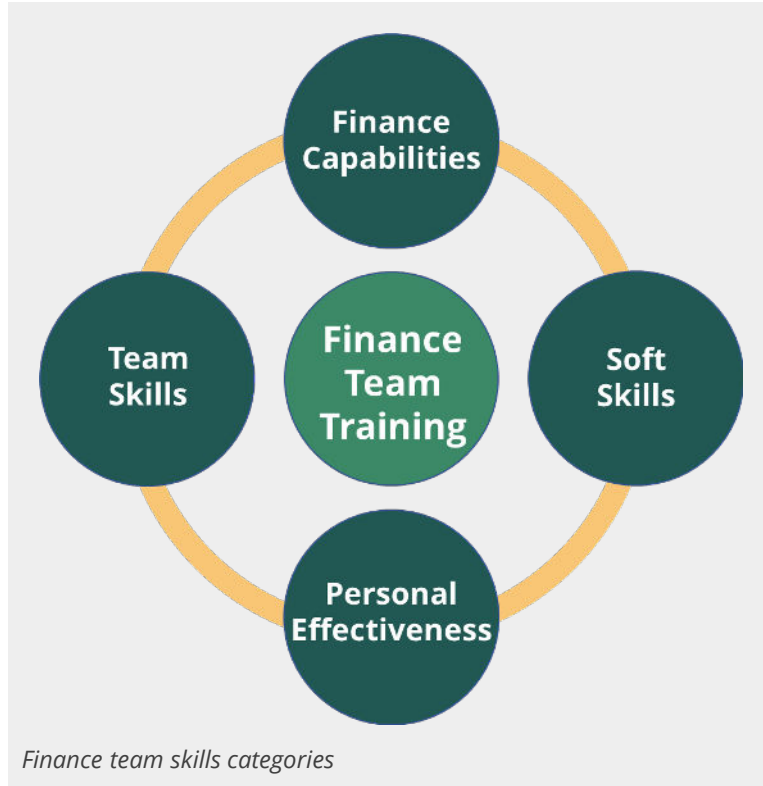
A finance function plays a critical role in the success of an organization. The GrowCFO Competency Framework outlines three key collective requirements for a finance team:

At the **Foundation** level, *Governance and Control* ensure that financial decisions are made with integrity and accuracy. *Operational Drivers* ensure that the accounting and financial systems are strong, efficient, and in compliance with all relevant regulations. And *Financial Planning & Analysis* provides the necessary data to support an organization's decision-making.

For successful **Implementation** of a business plan, finance teams must act as *Strategic Business Partners* to align their decisions with those of the overall executive team. They must be *Catalysts for Change*, able to create value from new opportunities. And they must have knowledge of *Fundraising and M&A* activities that can help an organization acquire resources and reach its goals.

Finally, **Impact** is achieved when finance teams provide *Leadership* to motivate their colleagues and provide guidance on financial matters. They need *Commercial Awareness* to effectively assess and manage opportunities, as well as *Soft Skills* to interact with stakeholders in a meaningful way.

Finance Team Skills



Building a successful finance function requires more than just technical know-how. A team of individuals with diverse skills and strengths must come together to be truly effective. There are four key categories of team member skills required: Finance capabilities, Soft Skills, Personal Effectiveness, and Team Skills.

1. **Finance Capabilities** are essential to developing a strong understanding of important tasks, such as budgeting, forecasting, closing the books, compliance, and reporting.
2. **Soft Skills** are personal attributes that allow individuals to interact effectively with others, such as communication, problem-solving, gravitas, and emotional intelligence.
3. **Personal Effectiveness** helps people to contribute in an efficient and meaningful way, including time management, self-motivation, prioritization, and delegation.
4. **Team Skills** is the ability of team members to work together as a unit by setting clear goals, managing conflicts, and creating an atmosphere of trust and collaboration.

Having a team with diverse skills throughout these four categories is essential for the success of any finance function. The right mix of skills and experience will create an environment where everyone can thrive, enabling each person to deliver great results.

Background and Experience



Creating a strong finance team starts with the people. Diversity and inclusion are essential for forming meaningful connections and creating a culture of innovation in finance teams. Leaders should look beyond traditional finance candidates to hire people from diverse backgrounds, including different genders, racial backgrounds, and experience levels.

It is also important that leaders don't clone themselves when building their finance teams. Instead, they should look for people with unique perspectives to bring new ideas and insights to the table. To foster growth, finance leaders should also consider hiring junior people into their first finance role and investing in their development. Working alongside more experienced hires will give them the opportunity to learn from experienced professionals while they gain valuable hands-on experience.

In addition, finance leaders are encouraged to look for experienced hires who can bring valuable skills and expertise to the team. With the ever-changing landscape of finance, these experienced professionals will be able to immediately provide key insights, support other team members, and keep up with new trends in order to inform decision-making and add value.

The Rise of Data Scientists



Businesses are generating more data than ever before and are increasingly relying on this to make better business decisions and gain an advantage over their competitors. As data becomes increasingly complex and voluminous, data scientists are becoming increasingly essential for finance functions.

Data scientists have the ability to analyze this data and extract valuable insights from it to help companies make better decisions about where to allocate resources and how to optimize financial performance. They can help identify patterns and trends in financial data that may not be obvious to other professionals. By understanding these patterns, data scientists can help businesses make smarter financial decisions and improve performance.

Hiring a data scientist is easier than you might think; although probably also much pricier! But it's not always the first role to hire. Think about who could be a 'person zero' as your first resource – the individual who first sets up all the required foundations for a data science team and bridges finance to the wider business. In smaller teams, this might be a part of someone's wider role. They will need good project management and passionate interest. It may be tough for someone to be 'volun-told' on this one!

Finance leaders may want to ask yourself:

- What experience do my team members have in key areas such as financial strategy, corporate governance, and risk management?
- Do we have the right mix of junior people and experienced hires to effectively deliver all activities?
- How well can my team communicate complex financial concepts to non-financial stakeholders?
- Do they understand business operations, market trends, and customer behavior?
- Can the team think strategically when interpreting data and making meaningful insights that contribute to business growth?



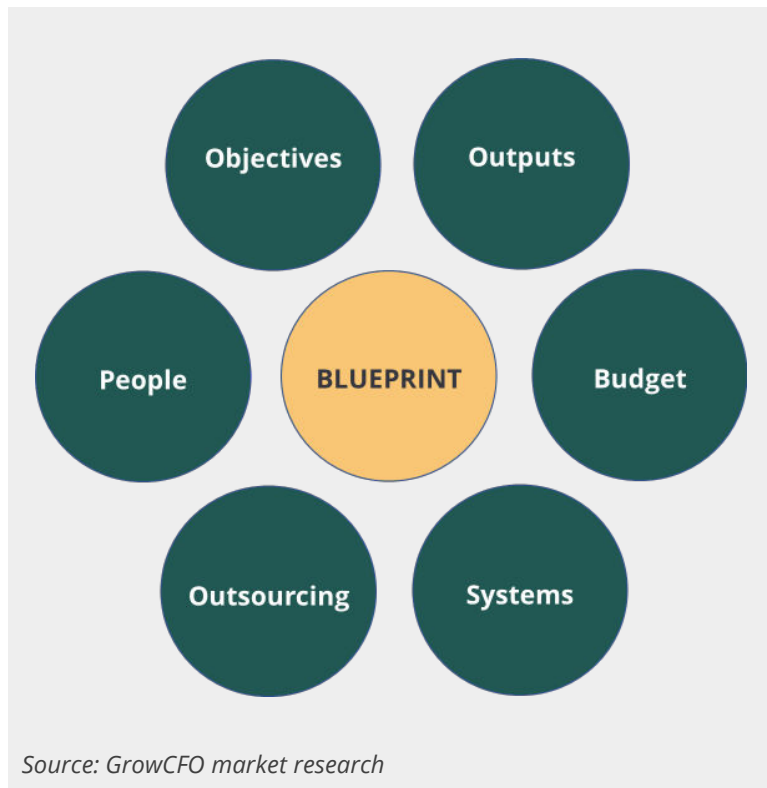
5. Taking Action

As finance leaders, it is our responsibility to ensure that the finance team size is optimized for business growth. With this in mind, we must take a collaborative approach by working closely with key stakeholders and end users to develop clear objectives and a timetable of key outputs. This will help us create a bottom-up budget for the finance team that takes into account all necessary costs.

To evaluate the size of the team, it is essential to benchmark against similar companies. This provides us with valuable insights into what works best for our industry and company model. Consider key factors such as business volume, complexity of transactions, required technology, and more. This will help us identify areas where additional resources are necessary to support growth.

By proactively managing the size of the finance team and scaling it up in line with the growth of the business, we can ensure that our teams are well-prepared for whatever challenges lie ahead. This will enable us to make informed decisions about hiring and budgeting so that we can continue to drive success for our business. With a well-thought-out plan, you can create the right-sized finance team that has the right mix of background, experience, and skills to support your company's growth.

Building Your Blueprint



GrowCFO research suggests that most finance leaders create an annual budget for their finance team based on what they inherited when they first started to lead the department. As the demands grow, finance leaders create individual investment cases to hire incremental staff or to replace leavers with more experienced individuals. During this journey, you may implement the occasional new system and slightly tweak the structure of your team.

However, this top-down approach means that you are unlikely to ever secure the appropriate budget to effectively deliver each of your finance function requirements on an ongoing basis. Finance leaders should dedicate time to redesigning their dream finance function from scratch based on their overall objectives and required outputs.

This involves creating a bottom-up budget for your finance team based on its purpose and value to your company. You will need to factor in your people, technology, and outsourcing plans. You can then compare this to your current recurring budget and create an investment case for any variances that require approval by your company's leadership team.

Finance leaders may want to ask yourself:

- What are our core activities and which challenges do we need to address?
- How do I explain the value of my finance function to my company's leadership team?
- What are the key trends impacting my industry that we need to consider when building out our team?
- Do we have the appropriate level of internal staffing and how can we effectively use contractors, freelancers or external partners?
- How will technology enable me to better serve my stakeholders and is there a more cost effective solution to certain activities?

This report presents insights and trends related to the average size of finance functions but does not constitute any form of business advice. While it provides valuable information for illustrative purposes, it is important to remember that all company circumstances are unique and no one-size-fits-all approach exists when it comes to building a finance function. Therefore, this report should not be relied upon by companies for decision making and GrowCFO Limited accepts no liability to the end user. We hope that this report helps provide new perspectives on financial leadership and inspires you to explore creative finance function solutions tailored to your company's individual needs.



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