



Hiring an Accounting Professional

“Let me assert my firm belief that the only thing we have to fear is fear itself-nameless; unreasoning; unjustified terror, which paralyzes needed efforts to convert retreat into advances...”

Franklin D. Roosevelt
President
United States of America

Many companies struggle with the quality of their accounting and financial information. From the beginning many business owners hand over the accounting and financial functions to a relative, friend or partner they can trust. Sometimes finding a qualified person to handle the most important aspect of any business: the money- is not given the forethought or vision equal to that given to the idea of sales or marketing. Over time as a business grows the requirements of the accounting and financial functions of a business change from simple invoicing and transactions to a need to have a person who is formally trained in transactions, financial statements, and financial modeling.

Many companies struggle with financial systems long before they realize they need to upgrade. In spite of troubles that may include; financial reports that are running months behind; cash flow problems; constant calls from vendors around late payments; and missed salary checks for the owners; the fear of the unknown about how to find a new person, train a new person, and then manage them is paralyzing. Hiring someone for skills and knowledge we are limited in, is an intimidating task.

Failure to upgrade your accounting functions as your business grows will create many problems for a business, not the least of which could be the failure of the business. It is important that as owners or managers we have a person or persons handling the money we can count on for skills, reliability and knowledge. We cannot sell our way out of financial problems if more money or more projects simply creates more of the same problems.

The good news you can hire a firm to help you to help you hire a new accounting leader for your business. Or you can lead the search yourself using a simple process as outlined below. Either path should begin with a list of tasks and areas of responsibility that the accounting person will be the leader of. Also determine the level of compensation the position will pay. There is no hard and fast rules but my experience has shown you get the level of skill and experience you pay for; so determine what you need and what you can pay for the position (I have personally experienced the following range of salaries: bookkeepers \$40-60K; controllers \$60-80 K; CFO's :\$ 80-120K plus).

Your accountant or an outsource firm (like Constructus Advisor: **Dean Brown**) can help you with this task. Use the list of skills that are “required” (for example: previous experience with your accounting software) and “preferred” (for example 5 years’ experience in accounting) to write a job posting for placement in newspapers (for example local McGraw-Hill publication) or on electronic job placement services such as Careerbuilder.com; Monster.com or craigslist.org.

Develop a candidate pool, or interview multiple people for the job, even if you have a person in mind when you start. Find the best candidate and multiple people to interview and choose from will give you the best perspective on options available to you. A great way to overcome the fear and still meet the need to judge the candidates for level of accounting skills necessary for the job is to employ your accountant or outsource accounting expert do the initial interviews for accounting skills. That is let





accounting people help you determine which candidates have the accounting skills that meet your job requirements. This process should reduce the original pool to the three best candidates. If no candidates meet the job requirements don't give up; run the ads again and keep developing a candidate pool.

At this point the candidates have been vetted (verified for accounting skills necessary for the job). Some companies will have a company do personality assessment tests at this point (approximate cost \$300 each, excellent supplement to personal interviews, as face to face interviews are the weakest form of determining fit for a candidate; **Lindsay Colittes**-Constructus Advisor offers this type of testing). The next step is personal interviews by you and select team members to interview the final three candidates for character, chemistry and values. Are they accountable; are they team players? Do they realize that in this role they must always be available to help other members of the team? How do they resolve problems? How do they view reporting? These are important values and skills that the successful candidate should exhibit.

Keeping the interview process on a specific timeline will exhibit to the candidates that the company is well run and respects the time of the candidates and is disciplined in its business practices. Tell the candidate in the initial interview your timeline for hiring the position. This disciplined and detailed approach also creates a feeling in the candidate's mind of being recruited and they really want your job. It also insures that you will get the candidate of your choice; many companies have lost their top candidate because they dragged their feet or let the process lag. Don't drop the ball at this point. Check references on the top candidate and run a background check (they have agreed to this on the employment application they initially filled out). If all checks out call the successful candidate, inform them they are the successful candidate, and set a time to extend a written offer and get the candidate signed up. Don't inform the second place finisher until number one has accepted the job. When number one accepts the job call the other candidates and thank them for their time but that another candidate has been accepted.

Below is an outline of the process for successfully hiring an accounting leader.

I. The problem

- Person running handling the money is not formally trained in accounting
- A relative, or a closed mouth find you can trust
- Expertise related to transactions like trail balance posts, invoicing
- Accounting and financial information is very simple often not close to real time
- Do not know how to find or determine who a qualified candidate for the job would be
- They have no experience hiring an accounting person

II. What the problem affects

- No Real time information about financial position of the company
- Company may be the last to know they are out of money
- Frequently out of money
- Accounting person is merely surviving not leading the accounting services of the company
- Owner cannot improve finances that they cannot see or measure





- Poor reputation with vendors and cannot get a line of bank credit

III. How the owner contributes to the problem

- Don't know what they don't know
- A qualified person could lead accounting but don't know what that looks like
- Can I trust a person to handle the money who knows more about finances than me?
- Tolerate poor financial information, though cash flow a constant problem

IV. Solutions

- Determine if you need a bookkeeper or an accountant
- Hire a person who is trained and has experience in bookkeeping or accounting work with someone to develop a job description including qualifications for current bookkeeping software
- Determine other preferred and required skills you want person to possess for example accounting degree; 5 years previous experience; knowledge of QuickBooks

V. Implementation/Delegation

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| • Write job description | Owner/Accountant/Outsource |
| • Run an ad | Owner/Admin/Manager/Outsource |
| • Develop a candidate pool: | Owner/Admin/Manager/Outsource |
| • Narrow down to best three candidates | |
| Based on accounting skills | Accountant/Outsource |
| • Run an assessment test | Outsource |
| • Owners and key team members | |
| Interview for character, chemistry and fit | Owner/Team |
| • Check references of candidate to offer | Owner |
| • Choose a candidate | Owner/Team |
| • Run a background check | Manager/Admin |
| • Present a written offer | Owner |
| • Sign the candidate close the deal! | Owner |

Notes/Action Items:

