Fractional CFO Services Part 2

Features:
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ACCOUNTING for what matters.

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Business Consulting Overview

Froehling Anderson can help identify areas of your business that affect profitability and growth and provide you with solutions that are practical and technically sound. As your business consultant, we'll join your company's management team to facilitate long-term objectives and specific strategies that lead to the growth and success for your business.

We are dedicated to sharing knowledge, collaborating solutions and nurturing your success. Our Fractional CFO Services provide you with the knowledge needed to make informed decisions to support the growth and profitability of your business.

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Fractional CFO Services

Throughout this eBook series from Froehling Anderson, we will be featuring specific, targeted information about each of our Fractional CFO Services. This product line comes as we expand our business consulting offerings based on client feedback on how we can help make their business more successful.

What we offer:

- Direction and Support
- Monitor Banking
- Cash Flow
- Financial Performance and Reporting Package
- Budgeting
- Strategic Goals and Performance
- Pricing for Profit
- Additional Analysis

Pricing for Profit Overview

Pricing for profit helps determine profitable or unprofitable work by examining how costs are assigned to products or services.

Pricing for profit is a feature offered through Froehling Anderson's Fractional CFO Services. The process starts by looking at pricing strategy and then allocating costs incurred in a business in a way that can be used to improve its management. In other words, price point analysis tracks costs to determine profitability and evaluate pricing strategy.

Finding the appropriate price for your product should be a process that is detailed, data-driven, and profit minded. Froehling Anderson is committed to helping you find your perfect price for your product or service. You can use a variety of metrics that help you decide the price that's right for you, including:

- Price points held by your competitors
- The variable costs and fixed costs
- What kind of customers your business is targeting
- Know and lower your breakeven point

Pricing is a complicated process, but Froehling Anderson can make it easier. We know what it takes to remain competitive in the market.

Finding the appropriate price for your product should be a process that is detailed, data-driven, and profit minded.

Pricing for Profit Process

Focus on the 4 major areas during the pricing for profit process:

Setting prices between ceiling and floor

In order to help set the best cost for your product or service, begin by looking at what the market will bear for your product or service(ceiling) and both the variable and fixed costs of the service or product (floor). Once this is determined, you have the information to price appropriately to be profitable.

How good cost practices help you make good decisions

Good pricing can help you choose the jobs that make the most sense. While some businesses focus on the bids that seem like they'll pay the most, they often don't account for the cost of those bids, nor the man hours necessary, often making good jobs unprofitable.

Methods of including overhead

Next, focus on how to include overhead into your costs. Often, this requires including overhead costs into the "floor" of your pricing strategy and pricing accordingly.

Knowing how volume effects your break-even point

Effective pricing strategies factor in how the volume of work can affect profitability. It is important to know how the ceiling and floor can change with volume of the product or service as well as the break-even point. Your break-even point is defined by when your costs to provide the product or service equals what you think you can charge for it. If your costs and break-even point are too high, consider ideas to lower these to more competitively price and become more profitable.

Pricing for profit assists in implementing changes in pricing structure and identifies areas for cost savings.

Key Performance Metrics and Financial Reporting for Better Business Decisions

Successful businesses don't rely on instinct alone; they make informed decisions based on timely, meaningful data. Key performance metrics (KPIs) help business owners and leadership teams measure progress, identify trends, and understand how financial performance compares over time and against industry benchmarks.

As part of our Fractional CFO services, Froehling Anderson works with you to identify the metrics that matter most to your business. Because every organization has different goals and challenges, we tailor KPI reporting to provide insights that support smarter planning and stronger financial management.

Monitoring key performance metrics can help you:

- Spot trends before they become problems or opportunities.
- Benchmark your performance against industry peers.
- Make proactive decisions based on real-time financial data.
- Keep leadership focused on strategic priorities.
- Identify areas that require deeper analysis or operational improvements.
- Increase accountability across departments and leadership teams.

The Froehling Anderson Difference

At Froehling Anderson, we go beyond providing numbers; we help you understand what they mean and how to act on them. Through our Fractional CFO services, we develop customized financial performance reporting packages that deliver clear, actionable insights for business owners and executives.

Our reporting package can include executive dashboards, KPI scorecards, cash flow analysis, profitability trends, budget-to-actual comparisons, and other financial and operational metrics tailored to your organization. These reports provide a concise, real-time view of business performance, enabling leadership to make confident, data-driven decisions without digging through complex financial statements.

Whether you're evaluating growth opportunities, improving operational efficiency, or planning for the future, our team provides the strategic financial reporting and guidance needed to help your business move forward with clarity and confidence.

Key Performance Metrics Advantages

The right key performance indicators (KPIs) do more than measure past performance; they provide the insight needed to make informed business decisions and drive future growth. As part of our Fractional CFO services, Froehling Anderson helps business owners and leadership teams identify the financial and operational metrics that matter most to their unique goals, industry, and stage of growth.

Rather than focusing only on historical financial statements, we transform your numbers into actionable intelligence by tracking trends, uncovering opportunities, and highlighting potential risks before they become larger issues.

Common metrics we monitor and analyze include:

- **Liquidity Metrics:** Working capital, current ratio, quick ratio, and cash runway to evaluate your organization's ability to meet short-term obligations.
- **Profitability Metrics:** Gross margin, net profit margin, EBITDA, return on assets, and return on equity to measure operational performance and long-term value creation.
- **Leverage Metrics:** Debt-to-assets, debt-to-equity, and other capital structure indicators to assess financial stability and borrowing capacity.
- **Efficiency Metrics:** Inventory turnover, accounts receivable turnover, days sales outstanding (DSO), accounts payable days, cash conversion cycle, and other operational KPIs that impact cash flow and working capital.
- **Customized Business KPIs:** Industry-specific and company-specific measurements that align with your strategic objectives, whether that means recurring revenue, labor utilization, project profitability, or customer acquisition costs.

Rather than focusing only on historical financial statements, we transform your numbers into actionable intelligence.

By routinely reviewing these metrics, leadership gains greater visibility into business performance, enabling faster decision-making, stronger financial discipline, and more confident planning.

Key Performance Metrics Advantages

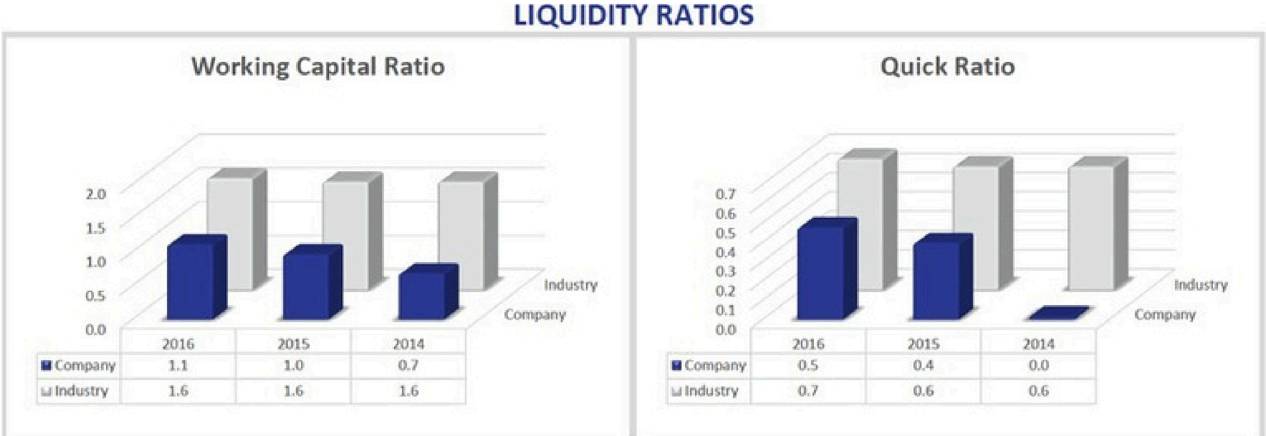
The Froehling Anderson Difference

At Froehling Anderson, our Fractional CFO services go beyond preparing financial statements. We provide comprehensive financial performance reporting packages and executive-level dashboards that turn complex data into meaningful business insights.

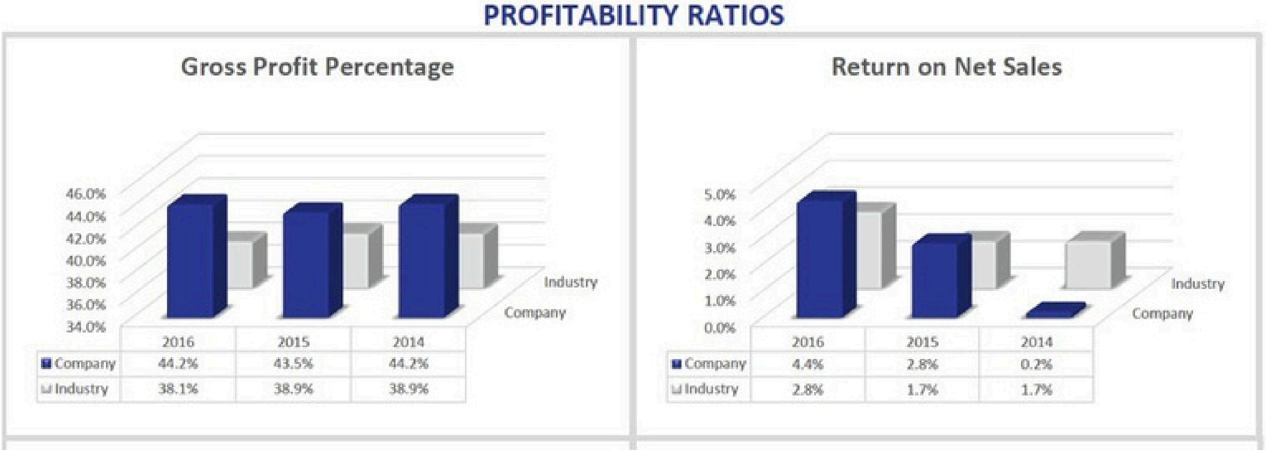
Our customized reporting packages combine financial results, key performance indicators, budget-to-actual comparisons, cash flow analysis, forecasts, and strategic recommendations into an easy-to-understand format that empowers owners, executives, and boards to make informed decisions. Rather than simply reporting what happened, we help you understand why it happened, what it means for your business, and what actions to take next.

With timely reporting, ongoing analysis, and experienced financial leadership, we help you strengthen profitability, improve cash flow, and build a stronger foundation for sustainable growth.

LIQUIDITY RATIOS



PROFITABILITY RATIOS



FROEHLING ANDERSON

CPAs with Solutions

Froehling Anderson provides business consulting, tax, audit, and accounting services with the same personal delivery of high standards and quality that have sustained us for 79 years.

We have a simple philosophy about the way we approach the accounting business: "**Accounting** for what matters." Before we can help you plan for a better financial future, we must have a thorough understanding of where you have been and where you are now.

Froehling Anderson is committed to client service and building long-lasting relationships with our clients. To ensure we continue to provide the best client service and services that address our clients' needs, we attend internal and external training, seek feedback in a variety of formats from our clients and obtain guidance from industry leaders.

Contact Froehling Anderson to speak with an experienced CPA today.