

LEADERSHIP SERVICES

The Business Leader's Playbook for Finance

A practical guide for CEOs, founders, and managing directors who are responsible for the finance function but are not finance professionals.

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01 | Who This Playbook Is For

This playbook is for business leaders who know finance is critical but are currently either acting as the de facto Finance Director, relying on a bookkeeper with no strategic leadership, lacking financial visibility, or growing fast without proper infrastructure.

- Read it end-to-end or jump to the chapter addressing your most pressing issue
- Use the templates and tables immediately
- Complete the Self-Assessment in Chapter 15 honestly

02 | The Role of Finance in a Growing Business

Finance delivers three things: **Visibility** (see where you are in real time), **Control** (cash protected, margins managed), and **Strategic Advantage** (finance informs every major decision).

Finance evolution as you grow

Revenue Stage	Typical Setup	Usually Missing
Pre-1m	Founder + bookkeeper	Everything strategic. No forecasting.
1m-5m	Part-time bookkeeper, year-end accountant	Management accounts, KPI tracking, cash flow forecasting
5m-15m	Finance manager or part-time FD	Strategic planning, funding strategy, scenario modelling
15m-30m+	FD/CFO with team	Often too operational, not strategic enough

The danger zone is 1m-15m. This is where a Part-Time Finance Director adds the most value.

03 | What a Finance Director Actually Does

Accountant vs Finance Director

Accountant / Bookkeeper	Finance Director
Records transactions	Interprets what numbers mean for the business
Produces year-end accounts	Produces monthly management accounts with commentary
Ensures compliance	Builds financial strategy aligned to business goals
Looks backwards	Looks forwards: forecasting, scenario planning
Reports numbers	Recommends actions based on numbers
Reactive	Proactive

RACI: Finance Responsibilities

Responsibility	CEO	Finance Director	Finance Mgr	Ext. Accountant
Financial strategy	C	A	I	C
Monthly management accounts	I	A	R	I
Cash flow forecasting	I	A	R	-
Annual budget	A	R	C	C
Tax compliance & year-end	I	A	C	R
Board / investor reporting	A	R	C	-
Funding & capital raising	A	R	-	C
Payroll & AP/AR	I	A	R	-
Financial controls	C	A	R	C

A = Accountable, R = Responsible, C = Consulted, I = Informed

04 | The Finance Operating Model

A finance function should run on a clear rhythm.

Weekly

Activity	Owner	Output
Finance team meeting (30 mins)	Finance Director	Actions, priorities, issues
Aged debtor review	Finance Director	Debtor report, escalations
Supplier payment run	Finance Manager	Payment schedule
Revenue reconciliation	Finance Manager	Revenue tracker

Monthly

Activity	Owner	Output	Deadline
Close month-end	Finance Manager	Trial balance	Day 5
Management accounts pack	Finance Director	Full pack with commentary	Day 10
MA review with CEO	FD + CEO	Decisions, actions	Day 12
Cash flow forecast update	Finance Director	Updated 13-week forecast	Day 10
KPI dashboard update	Finance Director	Dashboard	Day 10

Quarterly

Activity	Owner	Output
Budget vs actual deep-dive	Finance Director	Variance analysis & reforecast
Board pack preparation	Finance Director	Board report
Strategic review	FD + CEO	Strategic decisions
Tax planning review	FD + Accountant	Tax optimisation actions

Annual

Activity	Owner	Output
Annual budget & financial plan	Finance Director	Approved budget

Year-end accounts & audit	Ext. Accountant + FD	Filed accounts
Corporation tax return	External Accountant	Filed return
Insurance & contract renewals	Finance Director	Renewed policies

05 | Essential Finance KPIs & Your Starter Dashboard

Profitability KPIs

KPI	Definition	Target	Frequency
Revenue	Total invoiced sales	Per budget	Monthly
Gross Profit Margin %	$(\text{Revenue} - \text{Direct Costs}) / \text{Revenue} \times 100$	40-65%	Monthly
EBITDA	Earnings before interest, tax, depreciation, amortisation	Per budget	Monthly
EBITDA Margin %	$\text{EBITDA} / \text{Revenue} \times 100$	10-20%+	Monthly
Net Profit Margin %	$\text{Net profit} / \text{Revenue} \times 100$	5-15%	Monthly
Overhead Ratio	$\text{Total overheads} / \text{Revenue} \times 100$	Declining	Monthly

Cash Flow KPIs

KPI	Definition	Target	Frequency
Cash Balance	Bank balance at month-end	Positive	Weekly
Cash Runway	Months of cash at current burn	3+ months	Monthly
Operating Cash Flow	Cash from operations	Positive	Monthly
Free Cash Flow	Operating CF minus capex	Positive	Monthly

Working Capital KPIs

KPI	Definition	Target	Frequency
Days Sales Outstanding	$\text{Debtors} / (\text{Revenue}/365)$	< 45 days	Monthly
Days Payable Outstanding	$\text{Creditors} / (\text{COGS}/365)$	30-60 days	Monthly
Debtor Concentration	% from top 3 customers	< 40%	Monthly
Bad Debt %	$\text{Write-offs} / \text{Revenue} \times 100$	< 1%	Quarterly

Dashboard Layout

Section	Content
Top left	Revenue vs budget (bar chart)
Top right	Cash position & 13-week forecast trend
Middle left	P&L summary: Revenue, GP, EBITDA vs budget
Middle right	Top 5 KPIs with RAG status
Bottom left	Aged debtors summary
Bottom right	Key commentary: 3 bullet points

06 | Cash Flow: The Number One Killer

Profitable businesses go bust because of cash. This is the most important chapter.

13-Week Cash Flow Forecast

Category	Wk1	Wk2	Wk3	Wk4	Wk5-12	Wk13
Opening cash						
Customer payments						
Other income						
TOTAL RECEIPTS						
Payroll & PAYE						
Supplier payments						
Rent & premises						
VAT payment						
Loan repayments						
TOTAL PAYMENTS						
Net cash movement						
Closing cash						

Seven Cash Flow Rules

- Invoice immediately. Do not wait until month-end.
- Shorten payment terms. 14 days should be default, not 30.
- Chase before it is overdue. Call on day 25 of a 30-day term.
- Know your cash conversion cycle.
- Do not confuse profit with cash.
- Build a cash buffer: at least 3 months of fixed costs.
- Model scenarios: what if your biggest customer pays late?

07 | Management Accounts: What Good Looks Like

Your management accounts pack should land on your desk by working day 10 each month.

Pack Checklist

Item	Included?	Owner
P&L: Actual vs Budget vs Prior Year	[]	FD
Balance Sheet	[]	FD
Cash Flow Statement	[]	FD
KPI Dashboard (one page)	[]	FD
13-Week Cash Flow Forecast	[]	FD
Aged Debtors Report	[]	FM
Aged Creditors Report	[]	FM
Revenue by Customer / Product / Channel	[]	FD
Commentary: variances, risks, actions	[]	FD
YTD Performance Summary	[]	FD

The commentary is the most important part

Numbers without interpretation are useless. Answer three questions every month:

- What happened? Revenue was X vs budget of Y.
- Why? Customer A delayed. Material costs increased.
- What are we doing about it? Renegotiating terms. Pipeline strong.

08 | Budgeting & Forecasting

Budget Timeline

When	Activity	Who
Month 9	CEO sets strategic priorities	CEO
Month 9-10	FD issues budget templates	FD
Month 10	Department heads submit plans	All directors
Month 10-11	FD consolidates and iterates	FD + CEO
Month 11	Final budget to board	FD
Month 12	Budget locked and communicated	FD + CEO

Rolling Forecast vs Static Budget

Approach	Static Budget	Rolling Forecast
Set	Once per year	Updated monthly or quarterly
Looks ahead	To year-end only	Always 12 months ahead
Reflects reality	Increasingly inaccurate	Always current
Value	Limited after Q1	High - drives real decisions

Scenario Planning

Scenario	Revenue	Cost Assumption	Cash Impact	Action
Base case	Budget achieved	Costs as planned	Per forecast	Continue as planned
Upside +15-20%	Above budget	Variable costs scale	Cash build accelerates	Invest in capacity
Downside -20-30%	Below budget	Fixed costs unchanged	Cash burn accelerates	Trigger cost reduction

09 | Funding, Investment & Raising Capital

At some point, most growing businesses need external funding.

Funding Options

Type	Best For	Range	Speed	Dilution?
Invoice finance	Cash flow gaps	50k-5m+	1-2 wks	No
Asset finance	Equipment, vehicles	10k-2m+	1-3 wks	No
Bank overdraft	Working capital	25k-500k	2-4 wks	No
Term loan	Capex, expansion	100k-10m+	4-8 wks	No
Government grants	R&D, innovation	10k-2m	8-16 wks	No
Angel investment	Early-stage	25k-500k	4-12 wks	Yes
Venture capital	High-growth	500k-20m+	8-16 wks	Yes
Private equity	Established, MBOs	2m-100m+	12-24 wks	Yes

Investor Readiness Checklist

Item	Ready?	Notes
3 years of filed accounts	<input type="checkbox"/>	
Monthly management accounts (12 months)	<input type="checkbox"/>	
Cash flow forecast (13-wk + 12-month)	<input type="checkbox"/>	
3-5 year financial model	<input type="checkbox"/>	
Business plan / investment memo	<input type="checkbox"/>	
Clear use of funds statement	<input type="checkbox"/>	
KPI pack showing growth	<input type="checkbox"/>	
Legal structure clean	<input type="checkbox"/>	
Key contracts and pipeline	<input type="checkbox"/>	

10 | Financial Controls & Risk Management

Essential Controls Checklist

Area	Control	In Place?
Payments	Dual authorisation above 5k	<input type="checkbox"/>
Payments	Segregation of duties	<input type="checkbox"/>
Payments	Supplier bank changes verified by phone	<input type="checkbox"/>
Expenses	Line manager approval required	<input type="checkbox"/>
Expenses	Card spend reviewed monthly by FD	<input type="checkbox"/>
Payroll	Checked by second person	<input type="checkbox"/>
Revenue	Recognised per accounting standards	<input type="checkbox"/>
Bank	Reconciliation completed weekly	<input type="checkbox"/>
Bank	Access restricted to named individuals	<input type="checkbox"/>
Systems	Role-based access	<input type="checkbox"/>

Risk Register

ID	Description	Impact	Likelihood	Owner	Mitigation
F-01	Single point of failure	High	Medium	FD	Cross-train, document
F-02	Key customer non-payment	High	Medium	FD	Credit checks, monitoring
F-03	Cash flow crisis	High	Medium	FD	3-month buffer, scenarios
F-04	Internal fraud	High	Low	FD	Dual authorisation
F-05	External fraud	High	Medium	FD	Verification procedures
F-06	Tax compliance failure	Medium	Low	FD	Deadline calendar

F-07	Inaccurate reporting	High	Medium	FD	Monthly close process
F-08	Loss of key staff	Medium	Medium	FD	Documentation, succession

11 | Building Your Finance Team

Under 2m Revenue

CEO (acting finance lead) > Bookkeeper (part-time) > External accountant. Gap: No strategic leadership.

2m-10m Revenue

Part-Time FD (1-2 days/wk) > Finance Manager > External accountant. Sweet spot for a Part-Time Finance Director.

10m-30m Revenue

FD (full-time or 3-4 days) > Finance Manager > Management Accountant > AP/AR > External accountant.

Skills Matrix

Role	Reporting	Cash Flow	Budgeting	Tax	Systems	Strategy
Bookkeeper	Basic	Awareness	Awareness	Basic	Awareness	None
Finance Manager	Proficient	Proficient	Competent	Proficient	Competent	Awareness
Financial Controller	Expert	Proficient	Proficient	Expert	Proficient	Competent
Finance Director	Expert	Expert	Expert	Proficient	Proficient	Expert

12 | Technology & Systems

Recommended Tech Stack

Category	Tools	Budget
Accounting	Xero, QuickBooks, Sage	25-65/mo
Expenses	Dext, Spendesk, Pleo	20-200/mo
Payroll	Xero Payroll, Sage, PayFit	15-150/mo
Cash flow forecasting	Float, Fluidly, Futrli	50-300/mo
Reporting / BI	Fathom, Spotlight, Power BI	40-400/mo
Document mgmt	Dext, Hubdoc, AutoEntry	25-100/mo

System Health Check

Question	Yes/No	Priority
Cash position visible in real time?		High
Bank feeds connected?		High
MA production automated?		Medium
Single source of truth for data?		High
Expenses digital?		Medium
FD can access dashboards remotely?		Medium
Payroll integrated?		Medium

13 | Governance & Decision Rights

Decision Authority Matrix

Decision	Up to 5k	5k-25k	25k-100k	100k+
Operational spend (in budget)	Finance Manager	Finance Director	CEO	Board
Unbudgeted spend	Finance Director	CEO	CEO + FD	Board
New hire in finance	Finance Director	CEO	CEO	Board
Capital expenditure	Finance Director	CEO + FD	Board	Board
Debt / borrowing	-	CEO + FD	Board	Board
Customer credit terms	Finance Director	Finance Director	CEO + FD	Board
Bad debt write-off	Finance Manager	Finance Director	CEO + FD	Board

14 | Preparing for Exit or Valuation

Whether you plan to sell in 12 months or 5 years, the finance function is central to the best outcome.

Exit Readiness Checklist

Area	Requirement	Ready?
Accounts	3 years of clean filed accounts	<input type="checkbox"/>
Accounts	Monthly MAs with consistent format	<input type="checkbox"/>
Revenue	Recurring revenue clearly identified	<input type="checkbox"/>
Revenue	No customer >15-20% of revenue	<input type="checkbox"/>
Profitability	Adjusted EBITDA documented	<input type="checkbox"/>
Profitability	Owner salary normalised	<input type="checkbox"/>
Cash flow	Demonstrable cash generation	<input type="checkbox"/>
Cash flow	Working capital stable or improving	<input type="checkbox"/>
Systems	Not dependent on one person	<input type="checkbox"/>
Systems	All contracts filed and accessible	<input type="checkbox"/>
Legal/tax	Tax affairs up to date	<input type="checkbox"/>
Legal/tax	Company structure clean	<input type="checkbox"/>
People	Business not owner-dependent for finance	<input type="checkbox"/>
People	Finance team can operate independently	<input type="checkbox"/>

A Part-Time Finance Director has typically supported multiple exits and knows what buyers look for in due diligence.

15 | Self-Assessment

Score each statement from 1 (strongly disagree) to 5 (strongly agree).

#	Statement	Score (1-5)
1	We have a clear financial strategy aligned to business goals	
2	I receive accurate monthly management accounts by day 10	
3	I always know our cash position and 13-week forecast	
4	We have a robust annual budget tracked monthly	
5	Gross margins are understood, tracked, and managed	
6	We maintain a rolling forecast updated regularly	
7	We have clear financial controls	
8	Aged debtors are actively managed	
9	Our finance team has the skills and capacity we need	
10	No single point of failure in finance	
11	Clear view of revenue by customer, product, channel	
12	Could produce an investor-ready pack within 2 weeks	
13	Financial systems are modern and integrated	
14	Finance supports commercial decision-making	
15	I have confidence in our financial data	
16	We have scenario plans for downturn and growth	

Scoring Guide

64-80: Strong. Your finance function is well-managed. Focus on continuous improvement.

40-63: Gaps exist. You have the basics but are missing strategic capability. Consider a Part-Time FD.

16-39: Significant risk. You are flying blind. You need experienced finance leadership now.

16 | When to Bring in a Part-Time Finance Director

If you recognise three or more of these warning signs, it is time to bring in experienced finance leadership:

- You are the de facto FD and it is taking you away from running the business
- You do not have a clear picture of cash flow beyond the next few weeks
- Your management accounts are late, inaccurate, or non-existent
- You are planning to raise funding and do not have the financial pack ready
- You know your margins are slipping but cannot pinpoint why
- Your finance team needs leadership and development
- You are planning an exit or valuation in the next 1-3 years
- You scored below 40 in the self-assessment

What happens next

Leadership Services can typically have an experienced Part-Time Finance Director embedded in your team within a week. No recruitment fees. No long-term contracts. Starting from 1,795 per month.

Timeline	Activity
Week 1	Discovery: understand your business, finances, team, and goals
Week 2-4	Quick wins: management accounts, cash flow forecast, KPI dashboard
Month 2-3	Build: processes, controls, team development, strategic planning
Month 3+	Lead: ongoing strategic finance leadership as part of your team

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