



How to Fire Your CFO

Whether your CFO is fired, leaves voluntarily or resigns, there are a few things you need to consider before they walk out the door.

The CFO is incredibly important to the long-term success of your business. Unlike many other roles in the company, they have an in-depth understanding of your day-to-day operations right across the business, as well as the ability to be a team player at an executive level.

Your CFO needs to act as your CEO's right hand and maintain strong relationships with your leadership team, no matter how challenging the circumstances may be.

Unfortunately, if your CFO isn't delivering the expertise and commitment your business needs, it may be time to let them go. Terminating the employment of a CFO is more complex than regular staff members, as they hold a high-profile position in the business and have access to business-critical information and assets. Their departure also has the potential to impact staff morale, investor confidence and customer retention.

The key to firing your CFO correctly is preparation. Here are 10 steps to

consider before you give them the bad news, to minimise risk to your business.

1. Check the terms of their employment agreement and any informal arrangements that have been made verbally or in writing.
2. Determine what financial interests the CFO has in the business and take steps to resolve these, if required.
3. Review your HR policies and source expert advice to make sure you're doing it by the book, particularly if the HR function falls under the CFO's control. ➤

4. Let the Board know about your decision and seek any approvals required, including separation payments and exit terms.
5. Develop a communication and crisis management plan so you are prepared to announce the change to staff, stakeholders and media.
6. Prepare a legal separation agreement and understand what ex-gratia payments may be required. The agreement should include mutual releases, cooperation, non-disparagement, non-compete and confidentiality clauses.
7. Find out what access your CFO has to your business, including technology, bank accounts, credit cards and building access. You'll need a plan in place to cancel or transfer these immediately after the CFO is terminated.
8. Prepare the notices required to inform regulatory bodies, ASX, shareholders, key customers and other stakeholders.
9. Work with your HR advisor to ensure all roles are transferred, including company secretary, public officer and director of subsidiaries.
10. Work out who will replace your CFO in the short term and have this person briefed and ready to step in as soon as the CFO leaves.

An interim or consulting CFO from CFO Strategic is an excellent option to ensure that there are no gaps during the changeover. You should also consider whether a handover process is required, or if they should leave the premises straight away to reduce the risk of a security breach.

Looking to work with experienced CFOs you won't need to push out the door?

Get in touch with our team today.



CFO Strategic is a Sydney-based CFO firm that specialises in providing financial leadership to organisations of all sizes. Our CFOs are fully qualified and have extensive experience as senior executives in multinational corporations. Whether you need a CFO on a contract, interim, part-time or full-time basis, we can deliver professional services that are tailored to the needs of your business.



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