

The Complete Guide to Hiring a Fractional CFO

Audience: founders, CEOs, and finance leaders who need strategic finance leadership without a full-time hire. Outcome: clarity on when, how, and whom to hire, plus a repeatable onboarding and success framework.

1) When to Hire and Expected ROI

- Triggers: recurring cash surprises, opaque unit economics, investor conversations looming, stalled forecasting, or a controller-only setup overwhelmed by strategic asks.
- Expected ROI: sharper decisions (pricing, hiring, GTM), faster fundraising, better cash conversion, improved board confidence, risk reduction via controls.
- Quick litmus: if strategic finance questions outnumber tactical ones and timing is <12 months to a major capital or product milestone, you are likely ready.

2) Fractional vs Full-Time vs Controller

- Fractional CFO: strategic finance + capital planning + board/investor readiness; part-time, flexible scope; ideal for \$2–\$40M revenue firms scaling toward next stage.
- Full-time CFO: complex multi-entity, heavy fundraising cycles, significant treasury/risk; higher cost, long-term anchor.
- Controller: accounting accuracy and compliance focus; not a substitute for strategic finance; pairs well with fractional CFO for quality data.
- Engagement models: steady-state retainer, project-based (fundraise, pricing, close acceleration), or interim while you recruit.

Learn more about our [Fractional CFO Services](#).

3) Readiness Checklist

- Financial hygiene: reconciled books, clear chart of accounts, basic close cadence, access to banking/payroll/ERP/CRM.
- Data sources: GL, billing, CRM, payroll, banking, FP&A files; identify owners and access levels.
- Decision rights: who approves spend, hiring, pricing changes; clarify to avoid execution friction.
- Stakeholder map: CEO, founder(s), head of sales/ops/product; frequency expectations set upfront.

4) Scoping the Role

- Objectives/OKRs: e.g., "Reduce cash burn by 20% while sustaining >110% NRR," "Close in 5 business days," "Raise \$X with clean diligence."
- Time commitment: typical 8–40 hours/month; align on weekly cadence, SLAs for deliverables, and "office hours."
- Ownership vs advisory: assign owner for budget, forecast, board materials, policy creation; define where CFO advises vs decides.

5) Where to Find Talent

- Channels: specialist fractional firms, vetted marketplaces, investor/board referrals, CFO communities, and industry-specific networks.
- Briefing: stage, revenue model, data stack, top 3 strategic priorities, timeline, and budget; share sample reports you like.
- Shortlist for: relevant sector experience, systems fluency (your GL/billing/BI), and proof of driving decisions, not just reporting.

6) Evaluation Criteria & Interview Kit

- Core criteria: strategic depth (capital allocation, GTM efficiency), operational rigor (close, controls), communication (board-ready), and stakeholder empathy.

- Case prompts: "Build a 3-scenario cash plan for the next 12 months with a hiring freeze trigger." "Diagnose churn spike with limited data." "Rewrite our board KPI page."
- Reference checks: ask about cadence discipline, ability to say no, and delivered outcomes (not activities).
- Red flags: resume of short gigs without outcomes, over-index on bookkeeping, cannot explain unit economics in plain language.

7) Pricing & Contract Models

- Common structures: monthly retainer with defined outputs; project fees for fundraise or pricing work; success fees only as a small kicker, not primary.
- Transparency: hourly equivalent range, change-order rules, response-time expectations, renewal and cancellation windows.
- SLAs: close cadence, forecast refresh cycle, board pack delivery timing, meeting participation, and turnaround for ad hoc asks.

See our [Pricing page](#) for typical engagement structures.

8) Onboarding Playbook (30/60/90)

- Days 0–30: access + assessment. Systems access, data pulls, baseline KPIs, cash view, risk hotspots, quick wins list.
- Days 31–60: build + implement. Draft operating model, close calendar, reporting pack, and control fixes; align GTM/people plans to financial plan.
- Days 61–90: optimize + govern. Scenario planning, board/exec cadence, hiring plan checkpoints, and playbook for recurring cycles.

9) Success Metrics

- Leading: close cycle time, forecast accuracy bands, cadence adherence, data freshness, stakeholder satisfaction, on-time board decks.
- Lagging: cash runway improvement, burn multiple, CAC payback, NRR/GRR movement, AR/AP cycle times, audit/comp review findings.
- Scorecard: simple traffic-light dashboard covering finance operations, planning accuracy, growth efficiency, and compliance.

10) Risk Controls

- Access & segregation: who approves spend, who books entries, who reconciles. Enforce least privilege and audit trails.
- Data security: MFA on finance systems, vendor security review, secure file sharing, and PII handling standards.
- Conflicts: exclusivity/competitor clauses, non-solicit of staff, confidentiality specifics.
- Insurance: require professional liability and cyber where appropriate.

11) Templates to Include

- Role scorecard and responsibilities grid.
- Interview rubric and case prompt pack.
- Onboarding checklist with access matrix.
- Sample MSA/SOW outlines with deliverables and SLAs.
- 30/60/90 plan template and success scorecard.

12) Case Snapshots

- Early-stage SaaS: stabilized MRR reporting, cut burn multiple from 3.5x to 1.8x, secured seed extension.
- Services firm: reduced DSO by 15 days, instituted project profitability reviews, improved cash predictability.
- Light manufacturing: normalized margins with standard costing, tightened inventory controls, secured line of credit.

Explore more [Case Studies](#) to see how CFO services drive results.

13) Call to Action

Ready to scope your engagement? [Schedule a free consultation](#) or [request a proposal](#) to get started.

About 1CFO

1CFO provides AI-powered fractional CFO services for growing businesses. We combine strategic financial leadership with modern technology to deliver enterprise-grade finance capabilities at a fraction of the cost of a full-time hire.

Our Services:

- [Fractional CFO](#) – Strategic finance leadership
- [FP&A Services](#) – Financial planning and analysis
- [Cash Flow Management](#) – Liquidity and runway optimization

Resources:

- [Free Assessment](#) – Evaluate your finance function
- [ROI Calculator](#) – Estimate your potential savings
- [All Guides](#) – More CFO resources

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