

## Trench Talk: Kelly Jennings, Small Business CFO

**Executive Summary.** Accounting is, to some, a necessary evil. Here we hear from an accountant what accounting actually is, why it's important, and how you can best benefit from your accountant.

**The guest.** Kelly Jennings is my younger sister who has been in accounting two less years than I've been in heavy/civil construction. She started in a "Big 6" accounting firm and eventually graduated to being her own boss in a position she calls *Fractional CFO*. That's a fancy word for CFO-for-hire.

**The questions I ask my sister.** If you can last all 37 minutes, you'll learn a lot. Here are some of the topics I think will help you start, understand, and grow your business:

1. What is a CPA?
2. What's the difference between cash and accrual accounting?
3. What are financial statements?
4. What is a "WIP"?
5. Who uses financial statements?
6. What is the difference between compiled, reviewed, and audited financial statements?
7. Is cash in the bank a good measure of your business's health?
8. What's the difference between a bookkeeper, controller, CFO, and a CPA?
9. How can a business owner, or CEO, get maximum benefit from their accountant?

**My story.** Kelly and I talked ahead of the podcast about what I would say here and we had a disagreement. I talked about how it's good for an engineer to get out of his own/her own way when it comes to running a larger business. It is valuable to have someone at, or very near the top, who knows money. A finance person or an accountant who will work diligently to track the money is vital.

On the flip side, Kelly looked at it a little differently. She thought that the #1 person (the CEO) should know the product and *make the rain* for the company. The CEO has the vision. The #2 person should know the money side; this person should help make the dream become reality and help with larger financial decisions.

Work safe!

