

# Finance - cost centre to profit centre



**Andy Cox**  
Commercial FD & founder  
of Optimum -Value

In a world turned upside down by covid-19, businesses need to ensure that every part of their organization adds value to ensure sustainability. Finance has traditional been seen as a back office function and cost centre. But this view is only valid when your finance support consists of an outsourced accountancy practice and an internally resourced transaction finance team (i.e. ledger clerks, controller), which is the case in many SMEs.

So how do you turn that fixed cost overhead into a profit centre? By engaging a Finance Business Partner (FBP), that complements your existing finance resources, by primarily focusing on improving business performance and creating value.

FBP creates value for your business by utilising a growth mindset in place of the fixed mindset of the traditional accountant:

Finance Business Partner	Traditional Accountant
Business Partner	Gatekeeper
Commercial focused	Transaction focused
Forward looking	Backward looking
Proactive	Reactive
Growth evaluation	Cost review
Outward looking	Inward looking
Decision support	Controllorship
Insight driven	Information driven
Performance improvement	Budget monitor
Strategic and operational review	Tactical review
Independent advisor	Dependable record keeper
Opportunity & risk assessment	Variance analysis & commentary
Financial leadership	Book keeper
Scalable fees	Fixed costs
<b>Profit centre (value creation)</b>	<b>Cost centre</b>

The mindset is one of strategic and commercial thinking, insight and growth driven, providing actionable and proactive decision making to deliver the business owners desired outcomes. FBP work with the senior leadership across the company to drive impactful decision making that aligns not just to their particular partners goals (e.g. Sale Director), but to the wider company vision.

Your FBP is your trusted business advisor, that engages collaboratively, questioning the status quo and unearthing those hidden gems within your company that can not only help is survive but also grow.

Typical applications where you FBP can create value, which flow to your profit line:

- Cashflow maximization
- Profit optimisation
- Customer and Product margin analysis
- Pricing
- Supplier reviews and contract management
- Contract negotiation on trading terms
- Investment analysis
- Risk assessment and scenario planning
- Business planning

So, start 2021 with a positive and proactive decision to engage your own on-demand Finance Business Partner, and use today's economic challenges as an opportunity to strengthen your company's performance, create hidden value and improve your bottom line.

**Andy Cox**

Commercial Finance Director  
& founder of Optimum-Value.

*Start your journey today by contacting  
Optimum-Value and learn how our on-demand  
Finance Business Partners can support you  
in achieving your desired outcomes.*