

SCALE

**Finance council:
The 3 pillars to building a finance function**



Today's agenda



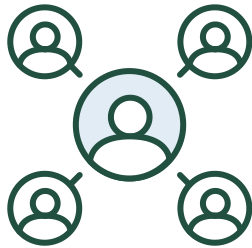
- Welcome & introduction
- Why finance matters
- The 3 pillars of a finance function: people, systems, & processes
- Closing: Action items & next steps

**We help our portfolio
build and optimize
hyper-growth GTM
machines**

What is the GTM Advisory?

Advisory

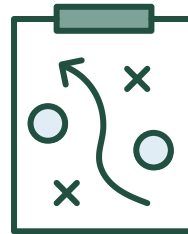
Been-to-market expertise



**Advising over 70% of the portfolio
with bespoke GTM consulting**

Content

Step-by-step guides



**Distilling decades of experience into
80+ practical tools and frameworks**

Events

The power of community



**Connecting EIRs, advisors, and
portcos at 40+ events per year**



SCALE



How we scaled this summit

Scale Venture Partners
Co-Hosted by Pear VC

Join industry leaders at our annual summit for a
day of learning and networking

Details

April 22nd
12pm - 6pm PT

The Ritz Carlton, San Francisco

“How we scaled this” GTM & CFO Summits

April 22nd, 12-6pm PT, San Francisco Ritz-Carlton

We want to hear your voice!

- We'll invite questions and/or anecdotes from the audience throughout the session
- No need to raise hands—just come off mute
- Remember to share your **name, company, and title!**

Today's speaker



M.G. Thibaut
CFO EIR at Scale

Why finance matters



“Risk comes from not knowing what you’re doing.”

– *Warren Buffett*

Without finance, growth becomes chaos

After raising a Series A, your company transitions from **selling a vision to executing on growth**. Without a solid finance function, you risk:



Burning cash too quickly



Inefficient spending



Missing key metrics that drive valuation



Investor & board scrutiny

The shift from scrappy to scalable

Pre-Series A:

Financial processes are often ad-hoc & founder-led



Post-Series A:

Scaling: Begin to create processes around reporting, forecasting and strategic finance.

Beyond bookkeeping: Leveraging finance to drive business decisions, enable growth, and improve operational efficiency.

Finance isn't just the scorekeeper – it's your operating system

Enabling growth

- Allocate capital **efficiently**
- Support **data-driven** decision-making

Supporting fundraising

- Ensure strong financial **hygiene**
- **Model** different scenarios
- Articulate a **compelling financial story** to investors

Improving operational efficiency

- Identify **cost savings** opportunities
- Ensure the company is growing in a **sustainable way**

Your playbook for standing up finance at Series A

- Learn a **structured approach** to standing up a finance function
- Walk away with a **dashboard template** and sources of key finance benchmarks
- **Understand the basics** of who to hire, what processes to establish and what systems to implement

**People. Systems.
Processes.**

Get these right &
everything clicks

People

*Who do you need for
your finance function?*

Who owns finance at Series A?

- **At Series A, companies typically bring finance in-house**, moving from outsourced bookkeeping to a structured finance team
- **The first hire is often a Head of Finance**, who transitions the company from founder-led finance to a scalable structure

5 red flags you've outgrown outsourced finance

- ▶ Monthly close **takes 15+ days** or lacks accuracy
- ▶ **Need for visibility** to support hiring, budgeting and growth planning
- ▶ **Increasing** investor & board **reporting**
- ▶ **Expansion** into international markets or complex revenue models
- ▶ Fundraising prep becomes heavy due to **messy financials** or lack of structured reporting

Accounting vs. FP&A: Who does What

Function	Accounting	FP&A
Responsibilities	Ensures the company stays compliant and investors trust financials	Ensures capital is allocated efficiently and company grows in a sustainable way
Key Output	<ul style="list-style-type: none"> • <u><i>What happened?</i></u> • Backward-looking financial reports (GAAP-compliant financial stmts, tax filings, audits) 	<ul style="list-style-type: none"> • <u><i>What do we do about it?</i></u> • Forward-looking financial models, insights and data-driven recommendations
Who does this?	<ul style="list-style-type: none"> • Outsourced CPA firm or bookkeeping service • In-house Controller or Sr Accountant 	<ul style="list-style-type: none"> • Fractional CFO • Head of Finance / VP Finance • Dedicated FP&A personnel
Specific Tasks	<ul style="list-style-type: none"> • Record, categorize & reconcile transactions • Monthly financial close • Revenue recognition • AP & AR management • Tax compliance and filings • Financial statement preparation 	<ul style="list-style-type: none"> • Budgeting & forecasting • Scenario planning • KPIs & metrics tracking • Variance analysis (BVAs) • Board & investor reporting • Strategic decision support • Fundraising support

Start with strategic finance, **then** layer in accounting muscle

- **Head of Finance:** To own FP&A, strategic finance and operational planning beyond bookkeeping
- **Controller or Sr Accountant:** To bring accounting function in-house

Typical early-stage finance team structure

Pre-Seed to Seed	Series A	Series A to B	Post-Series B
<div>Founder-led Finance</div> <div>Founder manages cash flow, budgeting & investor updates</div> <div>Outsourced bookkeeping + tax CPA</div> <div>May use fractional CFO for fundraising support</div>	<div>Head of Finance</div> <div>First strategic finance hire to manage forecasting, board reporting and biz ops</div> <div>Outsourced accounting & tax</div> <div>Part-time CFO or advisor for fundraising & investor relations</div>	<div>Dedicated Team</div> <div>Head of Finance / VP Finance</div> <div>Sr Accountant or Controller</div> <div>FP&A Analyst</div>	<div>Scaling Finance</div> <div>CFO</div> <div>Full accounting team</div> <div>FP&A function</div>

Your 1st finance hire: how to win in the first 90 days

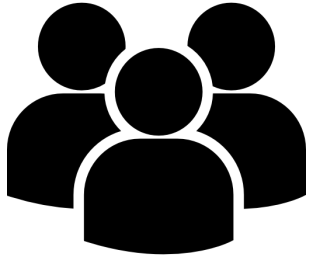
First 30 Days Assess & Stabilize

Days 31-60 Implement Structure

Days 61-90 Strategic Planning

- 1 Financial health assessment
- 2 Finance & Accounting process review
- 3 Meet key stakeholders
- 4 Quick wins & immediate actions
- 5 Budgeting & forecasting: model + cadence
- 6 Financial reporting & investor updates
- 7 Spend analysis & burn optimization
- 8 Finance tech stack assessment & quick wins
- 10 Long-term capital & fundraising strategy
- 11 Scenario planning
- 12 Unit economics deep-dive
- 13 Hiring & org structure planning

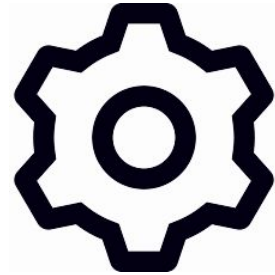
What else can your Head of Finance take on?



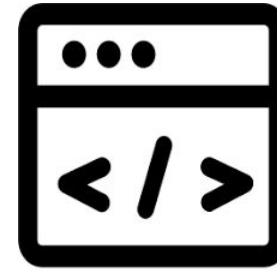
People



Legal



Facilities



IT



Biz Ops

Systems

*What tools & software
to build a finance
function for scale?*
(*Pun very much intended*)

Finance & accounting systems

- ① Why systems **matter early**
- ② Overview of **key categories** of systems
- ③ **Roadmap** by stage
- ④ Thoughts on **AI**

The right systems make you smarter, faster, & investor-ready



Set the foundation for scale, visibility, and discipline



Avoid manual errors and reduce reliance on any one person



Right-sized systems = **faster** processes + **faster** decisions + **higher** investor confidence

Adopt only what you need - and nothing you don't

- Avoid “tool sprawl” by focusing on what drives efficiency
- Start with mission-critical system pillars: **Accounting**, **Payroll**, and **Expense Management**
- Layer in FP&A tools only when spreadsheets become a bottleneck
- Upgrade to a full ERP (Netsuite) only at \$20m+ ARR or high complexity

Your finance stack from Seed > Series A > Series B

	Seed	Series A	Series B
Accounting	Quickbooks, Xero	Quickbooks > Netsuite	Netsuite
FP&A	Sheets, Excel	Sheets > Adaptive, Mosaic	Adaptive, Mosaic, Planful, Pigment
Payroll & Benefits	Gusto, Justworks, Rippling	Rippling, Justworks	Rippling, Deel
Expense Mgmt	Ramp, Brex	Ramp, Brex, Airbase	Ramp, Airbase
Billing & Revenue	Stripe	Stripe, Chargebee	Chargebee, Maxio
Benchmarks	Scale Studio	Keybanc, a16z, BVP, Scale Studio	Keybanc, a16z, BVP, Scale Studio

AI in Finance: practical and already useful

Legacy tools integrating AI features	<p>QB: Auto-categorizes expenses, flags anomalies, suggests recons</p> <p>Ramp & Brex: AI-based txn categorization, fraud alerts and auto-receipt matching</p> <p>Mosaic & Cube: AI-assisted scenario planning & variance analysis</p>
AI-Native tools gaining traction	<p>FP&A: Runway, Causal, Pigment</p> <p>Cash flow: Tesorio, Precanto</p> <p>ERP: Rillet, Everest</p>
Using ChatGPT within standard workflows	<p>Modeling & analysis: Formula logic, sensitivity models, industry benchmarks</p> <p>Communication & narrative: Draft investor updates, board commentary and budget narratives, summarize dense financial data</p> <p>Process & operations: Automate routine documentation (spend policy drafts, job descriptions), summarize reporting packages, brainstorm workflow improvements</p>

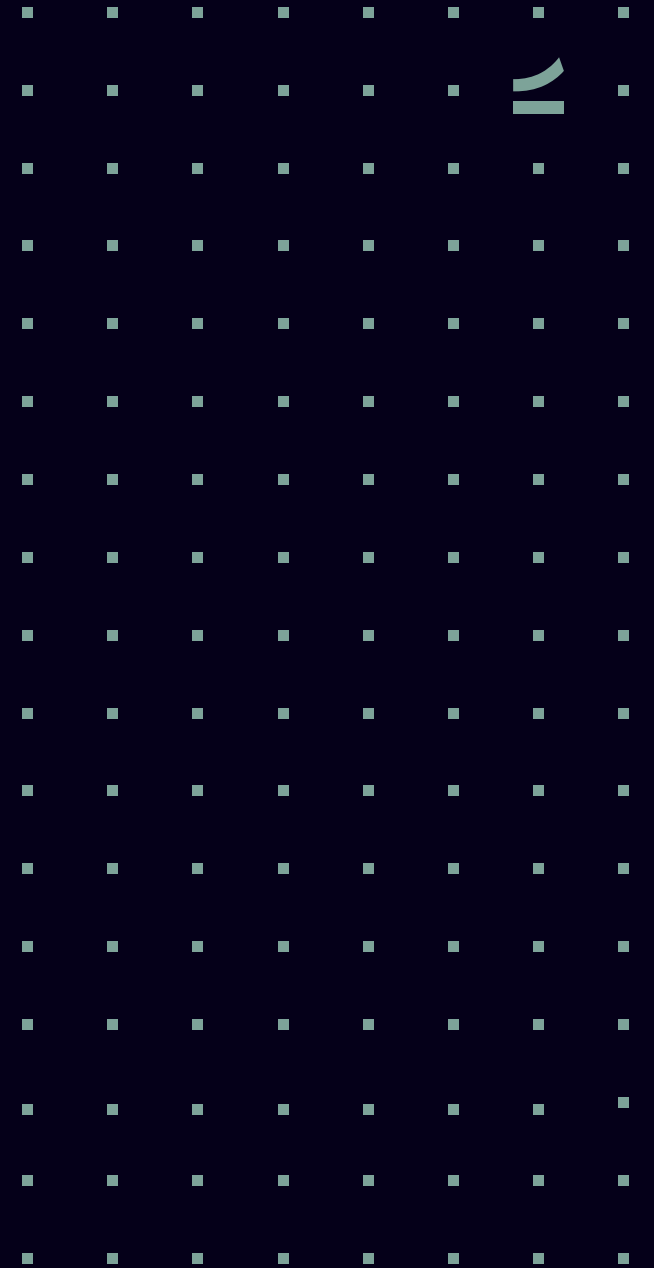
Processes

What do you need to implement for solid financial management?

Simple processes are your superpower

1. **Internal Reporting:** Core metrics to track & review
2. **Financial Planning:** Forecasting & budgeting processes
3. **Accounting:** Monthly close and spend controls

Internal reporting



Track what matters

Growth & runway

- ARR
- Pipeline
- Cash & Burn
- Working capital

Customer health

- Gross Retention
- Net Retention
- Logo Retention
- Customer Cohorts
- User Metrics

Operational efficiency

- Sales Efficiency
- CAC Payback
- Magic Number
- Burn Multiple

However...the devil's in the details

The metrics you select should:

- Align with your **business model** & growth strategy
- Focus on **leading and lagging indicators**
- Prioritize what **investors** want to see
- Be a tight set: **5-7 key metrics**
- Have a review **cadence** with assigned ownership / accountability

Make KPI reviews a habit

When	Weekly	Monthly	Quarterly
What	<ul style="list-style-type: none"> • Cash • Burn • Bookings: New Logo & Expansion • Churn • Pipeline • User Activity 	Add: <ul style="list-style-type: none"> • P&L • Balance Sheet • People Metrics • In-quarter Operating Metrics 	Add: <ul style="list-style-type: none"> • Trends (Y/Y, Q/Q) • Analysis: What happened & Why? • Insights: What do we do about it?
Who	<ul style="list-style-type: none"> • Executive team • Functional leads 	<ul style="list-style-type: none"> • Executive team • Functional leads • [Board if requested] 	<ul style="list-style-type: none"> • Executive team • Functional leads • Board

Without further ado...

Dashboard & board reporting template → [HERE](#)

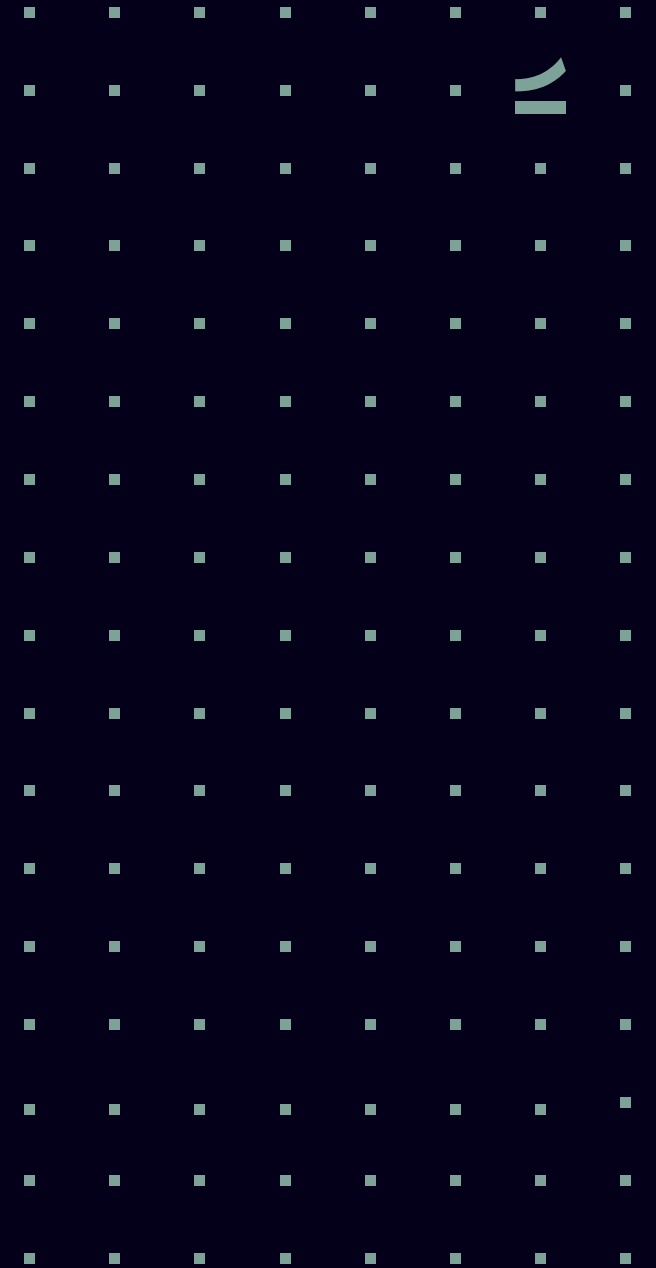
Model Instructions

- > Font color coordination, on non-output tabs font color helps direct where to input information:
 - +Blue Font = Input cells, manually hardcode inputs in these cells
 - +Black Font = Formula cells, these formulas are directly linked from the same sheet
 - +Green Font = Formula cells, these formulas are directly linked from the different sheet
- > Group and hide unnecessary columns when screenshotting data for presentations off of the output tabs
- > Remember to update latest month of actuals in row 10 on the 'Actuals to Date and Budget' Tab
- > Keep an archived copy of every operating plan and budget in the "Planning History>>" section of this workbook.
- > When the budget is updated, a new tab should be created to reflect the latest plan or budget.
- > Every plan or budget tab should be named as of the date of its adoption or review with the Board.

Use metrics to make decisions

- Set a **regular cadence**
- Create a **standard** dashboard
- **Focus on trends, the “whys” and insights**
- Tie metric performance to **business decisions**

Financial Planning



Financial planning: why it matters

- **Manage spend** & your runway
- Set **hiring plans**
- Understand what your investments are **yielding**

4-step planning loop every startup needs

- 1 Start with a **tops-down** revenue model
- 2 **Align OPEX to revenue growth** & runway targets
- 3 Identify **key assumptions** & sensitivities
- 4 **Operationalize** it: cadence & accountability

Revenue sets the pace: start there

Why? Revenue dictates spending capacity & capital needs

Define your growth target	<i>What is realistic over the next 12-24 months?</i>
Break down your revenue drivers	New ARR: # Customers x ASP Expansion: % of Customers Expanding x ASP Retention / churn rates
Key assumptions	Pipeline development: How much pipeline do you need to build each quarter to achieve desired growth? Sales capacity: # reps + ramp time Productivity: Quota, attainment, pipeline conversion rates Strategies for churn containment: e.g., Customer Success Strategies for expansion: e.g. AEs, AMs

Spend in proportion to your growth & cash

Why? Spending should scale with revenue while maintaining runway

Set an efficient burn multiple	<i>Set a Burn Multiple target: how much to burn vs. Net New ARR being added.</i> Then knowing your GM% - you can back into OPEX targets.
Set OPEX proportional to revenue	S&M: 50% of OPEX. Spend should be at Sales Efficiency targets R&D: 30-35% of OPEX. Support product development to drive long-term differentiation G&A: 15-20% of OPEX. Keep lean but build foundations in HR, finance, legal, etc.
Runway planning	Ensure ~18-24 months of runway Adjust spend based on progress towards milestones

Identify key assumptions & sensitivities

Why? Your Plan is only as strong as the assumptions behind it

Revenue assumptions	<ul style="list-style-type: none">● Pipeline growth● Sales hiring & productivity● Churn & Expansion
Cost assumptions	<ul style="list-style-type: none">● Headcount growth● Major vendor & infrastructure spend● Cash flow timing (inflows + outflows)
Scenario planning	<ul style="list-style-type: none">● Base case: Expected growth with existing assumptions● Downside: Slower growth → course correct to extend runway● Upside: Faster growth → do we have enough capacity to hire more quickly?

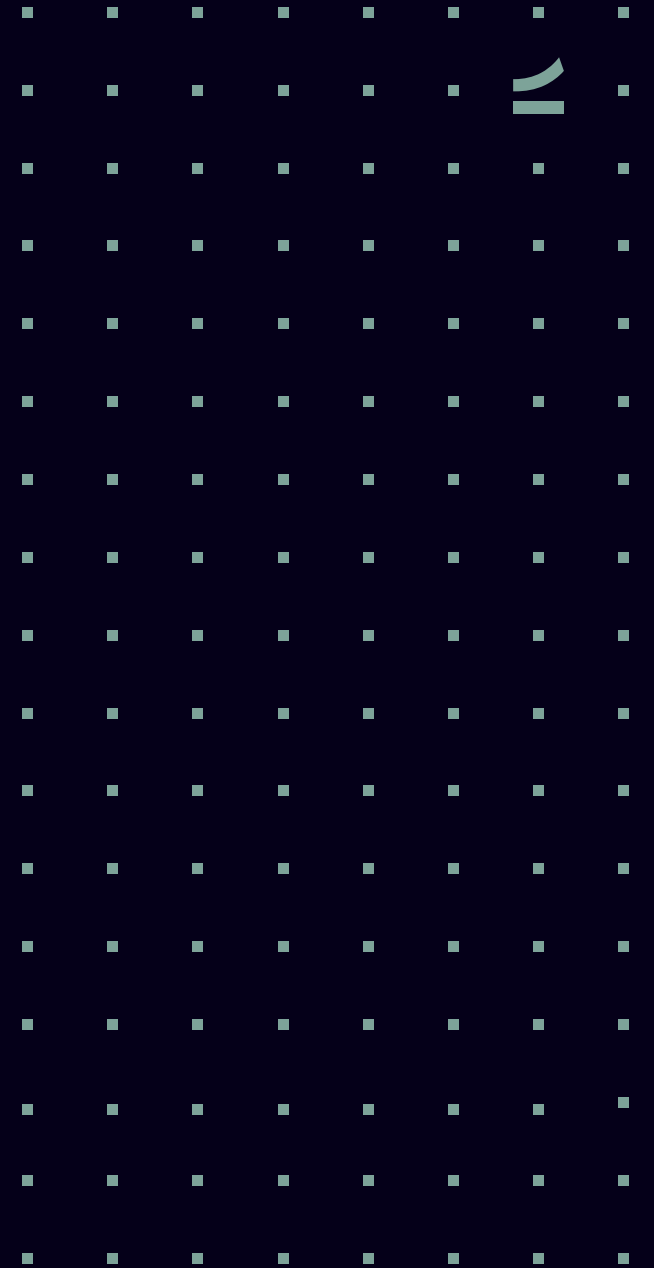
Planning is a discipline

Why? Planning isn't one and done – it's an ongoing process

Set a review cadence	<ul style="list-style-type: none">● Monthly reviews● Quarterly reforecasts
Assign accountability	Each key assumption should have an executive owner
Use dashboards & reporting	Leverage the reporting cadence suggested above!

*A strong planning process ensures that you grow efficiently and in alignment with investor expectations. **Keep it simple**, focus on key assumptions, and build in flexibility for real-world changes*

Accounting



Monthly close process: speeding things up

A fast, accurate close ensures timely financial visibility, allowing leadership to make informed decisions without delays

Define a target close timeline	Aim for a 10-day close by Series A, and 5-7 days as you mature
Automate where possible	Leverage software integrations across your tech stack
Standardize JEs & recons	Pre-build templates for rev rec, accruals (payroll, SaaS expenses, commissions), bank & CC recons
Close calendar	Understand clear roles & responsibilities – along with due dates – across internal & external team
Build a close dashboard	Track progress, flag delays, & provide visibility to leadership

Implementing spend controls

Unchecked spending leads to burning cash too quickly!

Define spend limits & approval tiers	<ul style="list-style-type: none">• <\$5k: Department heads approve• \$5-\$25k: Finance lead reviews• \$25k+: CEO approves• \$100k+: BOD approval
Implement BVAs	<ul style="list-style-type: none">• Create monthly variance reporting comparing actual spend vs. plan• Flag areas where costs are creeping up unexpectedly
Use software for spend management	<ul style="list-style-type: none">• Tools like Ramp, Brex or Airbase streamline approvals, categorize expenses and provide real-time tracking• Automate receipt capture & reconciliation
Align vendor spend with cash flow	<ul style="list-style-type: none">• Negotiate payment terms (net 45/60 days) to preserve cash• Identify cost cutting opportunities every quarter

Wrap-up



Know the mission

- You're not just "closing the books" – you're building out **the nervous system for growth**
- **Finance should inform decisions, earn trust, & extend runway**

Nail the fundamentals first

- Build a lean team with the **right first hire**
- **Track 5-7 key metrics** that actually drive your business
- Set up planning and reporting cadences that scale

Bring up systems you'll actually use

- **Focus on Accounting, Payroll, and Expense Management** first
- Layer in FP&A solutions **when spreadsheets break**
- Be AI-curious (but not AI-distracted)

Avoid the big traps

- **Tool sprawl:** More systems do not necessarily equal more insight (or more efficiency)
- **Over-building:** Don't design for Series C when you're Series A

Next steps

- **Access the Reporting Template [here](#)** & begin tailoring it for your business.
- **Develop a 30 / 60 / 90 day checklist** for what makes sense for your business across People, Processes & Systems
- **Sign up for a session with M.G.!** Email me at mg.thibaut@scalevp.com
- **Stay tuned for future CFO Council Sessions!** Effective Board Reporting (~May) & Annual Budgeting & Forecasting (~June)

Thank you

