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BUILDING FINANCE FOR GROWTH AND IMPACT

A guide for responsible business leaders building finance functions that support growth, purpose and long-term value

Based on real CFO insight, not theory

November 2025

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About this report

- Scope and cohort
- How insights were gathered and synthesised
- Philanthrope's vantage point on senior finance leadership

Foreword

This guide has been written for leaders who are responsible for both the performance and the character of their organisation, and who want their finance function to support both.

Most of the organisations we work with are growing businesses, some with external investors, others funded more patiently or independently, but all explicit about commitments that go beyond financial results. Their leaders are expected to make choices that satisfy customers, colleagues, boards and capital providers without losing sight of why the organisation exists in the first place. In that context, finance is no longer a back-office function. It becomes one of the main ways people form a view on how well the organisation is led.

The report draws on work with CFOs, boards, investors and founders across a range of sectors. It reflects patterns we have seen in responsible businesses and other organisations that combine growth, external scrutiny and clear statements of purpose, including a significant number that are investor-backed. The intention is not to offer a template. Every organisation has its own mix of mission, market, strategy and capital. Instead, the aim is to describe what tends to happen in practice as organisations grow, and how finance, and senior finance leadership, can either support or constrain what leaders are trying to achieve.

Several themes repeat. Finance moves from reliability to influence. The expectations placed on CFOs expand faster than the supporting team. Boards, lenders and investors read the state of finance as a signal of stewardship, risk and readiness. Capital structures that made sense at one stage can feel tight or distracting at the next. At key points, leaders find themselves asking whether their current finance set-up still fits where the organisation is heading.

We have written this guide as a reference for those moments. It is designed to be read in parts rather than cover to cover. You might return to it when you are considering a CFO appointment, discussing capital structure, questioning whether finance has enough capacity, or preparing for a more significant round or exit. Our hope is that it gives you a clearer language for those conversations and a more concrete way of judging whether finance is matched to the next stage.

Philanthrope exists to help leaders match senior appointments, particularly in finance and around the board, to the specific stage and scenario their organisation faces. This report captures what we have learned from that work. If it does nothing more than help you ask better questions of your own finance function and leadership team, it will have served its purpose.

Executive Summary

This report has been written for leaders of responsible businesses and related purpose-led organisations who want their finance function to support ambition, purpose and access to capital as their organisations grow. It is based on patterns observed across responsible businesses and similar organisations that combine growth with explicit commitments beyond financial results, including a significant number with external investors. The aim is not to prescribe a single model, but to offer a practical reference when leaders are considering whether finance, and senior finance leadership, are fit for the next stage.

Drawing on interviews and work with CFOs, boards, investors and lenders, as well as observation of finance leadership transitions, several recurring themes emerge.

1. Finance shifts from reliability to shaping room for manoeuvre

In earlier stages, finance is principally concerned with reliability: accurate records, paid suppliers, met payroll and basic reporting. As organisations grow and face greater external scrutiny, finance becomes one of the main ways others form a view on the business. How finance is set up and led increasingly affects:

- The pace and confidence of decision-making
- The organisation's resilience when outcomes diverge from plan
- The confidence of people whose capital and careers are committed to the business

Pressure tends to show up first in practical ways: rising volumes of ad hoc analysis, competing demands for information, sharper external questioning and growing dependence on a small number of individuals in finance.

2. Four contributions make finance valuable at leadership level

Finance is regarded as a strength when it consistently provides four contributions at board and executive level:

- A coherent view of performance and cash
- Clear explanation of what is driving results
- A grounded view of the future, including scenarios and headroom
- Judgement on trade-offs and timing for major decisions

As scale and scrutiny increase, expectations on the robustness, speed and depth of these contributions rise. Where the finance set up does not keep pace, leaders feel this in strained decision-making and weaker external confidence.

3. The modern CFO role is a portfolio, not a single job

In growing organisations, particularly where capital structures and stakeholder expectations are more complex, CFOs describe their work across five domains:

- Control and assurance
- Finance operations
- Planning and analysis
- Performance and resource allocation
- Capital and external stakeholders

The balance between these domains shifts as organisations mature. A recurring tension is the pull between operational load and the strategic contribution expected by boards and investors or other external stakeholders.

4. Senior finance effectiveness depends on the surrounding bench

The effectiveness of finance rarely rests on one individual. Across the organisations examined, four senior roles appear repeatedly, even where titles differ:

- Financial Controller or Head of Finance
- Head of FP&A or equivalent
- Finance Director or business-facing lead
- CFO

Most organisations do not begin with all four. Responsibilities overlap and stretch. Over time, those that report greater confidence in finance tend to strengthen control first, then formalise planning and analysis, clarify business-facing responsibilities and adjust the CFO remit so that it reflects where their attention is most needed for the next phase.

5. The wider finance team must match the decisions being made

Finance team shape and capacity should reflect the scale, reversibility and sensitivity of decisions, not just revenue or headcount. Effective teams balance:

- A reliable engine room for processing and control
- Access to technical and regulatory expertise
- Dedicated planning, analysis and modelling capacity
- People who can work alongside non-finance leaders on performance
- Leadership and coordination across these elements

Where finance is sized only for steady state reporting, leaders experience a gap between what they need from finance and what the team can provide, particularly when

multiple initiatives, funding events or expansions are underway.

6. Boards and funders read finance as a signal of leadership quality

For boards, finance is one of the main windows onto stewardship, risk and direction. They look for reliable foundations, clear explanation, visibility of risk and resilience, and grounded judgement from the CFO.

- External funders and stakeholders apply their own lenses:
- Lenders focus on data quality, covenant visibility and the behaviour of finance under stress.
- Equity investors pay attention to understanding of the business model, scalability of finance and how the function behaves when performance falls short or exceeds plan.
- Potential buyers read the state of finance as one of the most telling indicators of how well the business is run.

7. Capital structure shapes behaviour more than it appears on paper

Capital structure is experienced less as a set of documents and more through its effect on behaviour, risk and choice. The mix of equity, debt and other funding influences:

- How much real headroom exists
- Which investments feel possible or too risky
- How quickly constraints bite in weaker periods
- How different providers of capital may react under stress

Structures that acknowledge volatility, align funding duration with the business model, avoid unnecessary complexity and are well understood by boards and leadership tend to support more resilient decision making.

8. Points of strain and transition are predictable, even if timing is not

Certain events repeatedly act as inflexion points for finance and senior finance leadership, for example:

- Introduction of institutional or significant external investors
- Larger or more complex debt arrangements
- Entry into new geographies or lines of business
- Acquisitions, disposals and joint ventures
- Leadership succession and exit discussions

At these points, some organisations adjust expectations around existing leaders and teams; others conclude that the demands of the role have moved beyond what was originally envisaged and move to external hires.

9. Enduring foundations and emerging trends

Some aspects of finance work appear stable over time: the need for trusted numbers, visibility of cash, clarity on risk and a sense of stewardship. Alongside these sit emerging trends in automation, data and the interaction between finance, technology and impact reporting, including sustainability and impact commitments. Future senior finance profiles are increasingly expected to combine:

- Strong foundations in control and technical areas
- The ability to build and lead teams across multiple finance domains
- Comfort with data, systems and non-financial metrics
- Credible engagement with both capital providers and wider stakeholders

How this report is intended to be used

This report is designed as a reference. Leaders can dip into sections as questions arise about:

- The current and future role of finance in their organisation
- The shape and leadership of the senior finance bench
- How finance appears from the board table or to potential funders
- How capital structure and growth plans interact in practice

The organising principle is simple: to describe, in concrete terms, what has been observed in responsible businesses and similar organisations facing comparable challenges, including those with external investors, and to provide a framework for leaders to judge whether their own finance function is aligned with the next stage of impact and growth. The report closes with a set of practical reference frameworks and prompts, including ways to map senior finance responsibilities, think about succession, and test whether finance, capital structure and leadership are aligned with what comes next.



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Part I: How finance evolves as businesses grow

1. The shifting role of finance

1.1 From basic reliability to influencing major decisions

In many responsible businesses, finance begins with a clear but contained mandate. The focus is on:

- Keeping records accurate
- Ensuring payroll runs and suppliers are paid
- Meeting statutory and tax requirements
- Producing a basic view of revenue, cost and cash

At this stage, finance is primarily a service function. Leaders are close enough to the day-to-day that they can make most decisions without extensive analysis.

As businesses grow in scale and complexity, and in some cases bring in external investors, that relationship changes. Finance becomes one of the main ways boards, investors, lenders and senior hires form a view on the organisation. They look at:

- The pattern and quality of earnings
- The strength and volatility of cash generation
- The way working capital is managed
- How consistently plans and outcomes align

Alongside this, responsible business commitments add a further lens. Stakeholders pay attention not only to whether financial results are strong, but to how those results are achieved and how the organisation responds under pressure.

In the organisations underlying this report, CFOs and leaders often describe a stage where finance stops being experienced purely as a scorekeeping function and starts to influence which options remain open. Financial information and judgement are drawn into questions such as:

- Which growth paths are realistically fundable
- How much hiring ahead of revenue the organisation can sustain
- What tempo of investment in product, operations and impact activity is affordable
- How much dependence on particular customers, partners or funders is acceptable

The formal structure of finance does not always change at the same pace. Titles evolve gradually. A bookkeeper becomes a Head of Finance. A Controller becomes Finance Director or CFO. Reporting improves, but the underlying design of the function still reflects a smaller, simpler organisation.

The tension between these two speeds – the organisation's growth and the slower evolution of finance – is a recurring backdrop in the cases drawn on for this report.

1.2 Where pressure typically builds in growing businesses

In practice, pressure on finance rarely appears first in a board paper. It shows up in the day-to-day experience of leaders and finance teams.

Across the organisations considered here, several themes recur.

Increased pace without corresponding capacity

Decision cycles shorten as businesses expand product ranges, enter new markets or respond to investor expectations. Finance teams report that:

- Requests for numbers and analysis arrive more frequently and with shorter lead times
- Budgeting and forecast revisions feel almost continuous
- Significant decisions sometimes move ahead before their implications have been fully examined

The work that was once comfortably handled around month-end begins to feel stretched across the whole month.

Competing demands on information

As organisations grow, information needs diverge:

- Boards and investors ask for a clear, stable picture that shows trends over time
- Operational teams want more detailed, fast-moving data
- Leadership want both simplicity and the option to dive into specifics

Finance sits at the intersection of these demands. CFOs in responsible businesses often describe the challenge of producing information that is detailed enough to be credible with funders and useful to management, while still allowing the organisation to see the whole picture.

Higher external scrutiny

Businesses that take on bank facilities, institutional investors or potential acquirers report a marked shift in the tone of financial questioning. Areas that once attracted little comment – for example, recurring adjustments, unexplained movements in working capital or differences between management and statutory numbers – become points of focus.

In this environment:

- The tolerance for late changes and partial explanations narrows
- Variances and one-off items are probed more deeply

- The quality of underlying data, not just the summary, matters more

Finance becomes a primary channel through which external stakeholders decide how much confidence to place in the organisation.

Concentration of knowledge and relationships

In many responsible businesses, a small number of people hold critical knowledge of reconciliations, models, bank relationships or investor expectations. Leaders often only become fully aware of this concentration when:

- Someone key is absent or leaves
- A transaction or refinancing places sudden demand on finance
- A new investor or non-executive starts to ask questions from a different angle

This concentration is not unusual, but it can become a source of risk as complexity and reliance on external capital grow.

Ambiguity around decision boundaries

As decisions become larger and less reversible, the line between finance and other functions can blur. CFOs and leaders describe situations where:

- Pricing choices require more financial analysis than commercial teams can provide alone
- Hiring plans and cost growth need closer connection to cash and headroom
- Impact initiatives have material financial consequences that are hard to quantify quickly

Where responsibility for financial input is unclear, decisions can either slow or proceed with less clarity than leaders would prefer.

Taken together, these pressures are often the practical triggers for revisiting how finance is structured and led. They are less about any single event and more about the cumulative effect of growth, stakeholder commitments, external expectations and the organisation's own ambitions.

1.3 How culture, commitments and financial judgement intersect

In responsible businesses, finance operates within a context of stated commitments that go beyond financial return. Many of the CFOs and leaders whose experience informs this report describe finance as one of the places where those commitments become most tangible, particularly when conditions are difficult.

Examples that are mentioned repeatedly include:

- Approaches to pay, benefits and employment security during periods of weaker trading
- Pricing and contracting decisions with customers or suppliers where there are clear imbalances of power or sensitivity
- The scale and timing of investment in environmental or community initiatives
- Choices around restructuring, acquisition or exit, where the interests of different stakeholder groups may not align

In these situations, finance does not determine outcomes. However, across the organisations studied, it plays three noticeable roles.

Clarifying implications

Finance teams and CFOs are often responsible for making the implications of different paths sufficiently clear to be weighed properly. That may include:

- Short-term effects on cash and covenants
- Medium-term effects on profitability and headroom
- Less direct effects, such as the capacity to respond to future opportunities or shocks

This clarification does not settle the question, but it influences how seriously each option is taken.

Holding more than one time frame in view

In many responsible businesses, decisions are framed not only in terms of this quarter or year, but with an eye to how choices will look to employees, customers, communities and investors over longer periods.

Senior finance leaders describe part of their role as drawing attention to:

- The difference between actions that improve current metrics and those that strengthen the organisation's position over time
- The potential financial consequences of erosion of trust, reputation or key relationships
- The interaction between near-term constraints and longer-horizon commitments

This perspective often proves important in discussions that touch on both impact and growth.

Maintaining basic standards under pressure

Across ownership types, a recurring expectation is that finance will maintain certain standards irrespective of circumstance. CFOs and Controllers in these organisations consistently describe lines they are not prepared to cross, including:

- Deliberate misstatement or selective disclosure of material information
- Avoidance of agreed obligations to funders, regulators or employees
- Practices that would materially mislead stakeholders about the organisation's position

In responsible businesses, where public commitments add further visibility, these standards take on additional weight. Boards and investors often look to finance as one of the functions that signals how seriously the organisation takes its stated responsibilities.

Taken together, these roles place finance close to the heart of questions about how impact and growth are pursued in practice. They also shape what is asked of senior finance leaders, and of the teams and structures that support them, as businesses move into more complex stages of their development.

The next section turns from the overall role of finance to the specific contributions that finance tends to make at leadership and board level when it is working well, and how those contributions evolve as scale and scrutiny increase.

2. Finance at leadership level: four recurring contributions

Across the businesses and investor-backed organisations considered for this report, finance plays many roles. When leaders, boards and CFOs describe what matters most at their level, four contributions appear repeatedly. Where these are present, finance is generally regarded as a strength. Where one or more is missing, decision-making and external confidence are often described as more fragile than they need to be.

These contributions are set out below as observed patterns, not as a checklist.

2.1 A coherent view of performance and cash

A consistent feature in organisations that report confidence in finance is the presence of a single, coherent view of performance and cash. In practical terms, this usually means:

- Management accounts, statutory reporting and cash information that reconcile
- Structures and segmentations that reflect how the business is actually run
- Clear linkage between operational activity and financial outcomes

Boards and investors in these organisations often note that, when this coherence is present, discussion shifts away from reconciling different sets of figures and towards understanding what those figures imply.

Where coherence is weaker, several symptoms recur:

- Different parts of the organisation work from different versions of the numbers
- The same performance story is told in multiple ways, depending on audience or report
- Cash movements are harder to explain, even when profitability appears sound

CFOs frequently identify the move towards a coherent, reconciled view as one of the most important steps in making finance genuinely useful at leadership level.

2.2 Explanation of what is driving results

Beyond the numbers themselves, leaders and boards repeatedly highlight the importance of explanation. In the organisations included in this report, finance is expected not only to show what has happened, but to clarify why.

This often involves:

- Distinguishing between volume, price and mix effects in revenue and margin
- Separating underlying trends from one-off items
- Showing how unit economics and customer or product behaviour are evolving
- Highlighting changes in cost structure, productivity or utilisation

CFOs in responsible and investor-backed businesses often stress that this explanatory work becomes more demanding as the organisation grows. A simple narrative that was adequate when there was one product, one geography and a small set of customers becomes insufficient when there are multiple segments, channels and markets.

Boards and investors use this explanatory capability as a proxy for how well leadership understands the business model. Where explanations are clear, consistent and grounded in data, they report greater confidence that management can respond sensibly to changing conditions. Where explanations are vague or change frequently, confidence is harder to sustain, regardless of the headline results.

2.3 A grounded view of the future

A third contribution that appears consistently is a grounded view of the future. In the cases drawn on for this report, this does not necessarily mean complex forecasting models. It does typically involve:

- Forecasts that can be linked back to identifiable assumptions
- Awareness of sensitivities to key drivers such as volume, price, cost and timing
- Visibility of cash, covenants and headroom under a range of plausible outcomes

CFOs frequently comment that, as businesses grow and engage more deeply with lenders and investors, the quality of forward-looking information becomes as important as historic reporting. Funders and boards often test:

- Whether forecast paths are consistent with recent performance and known constraints
- How leadership expects to respond if trading is weaker or stronger than planned
- Whether there is sufficient financial flexibility to absorb shocks without undermining core commitments

In investor-backed businesses, where growth plans can be ambitious, the contrast between forecasts that withstand questioning and those that do not is particularly marked. The former are generally associated with finance functions that have invested in planning and analysis as a distinct capability, rather than treating forecasting as an occasional task.

2.4 Judgement on trade-offs and timing

The fourth recurring contribution at leadership level is judgement. Across the organisations considered here, the senior finance voice is frequently used to clarify trade-offs and comment on timing, particularly where decisions are large, less reversible or touch multiple stakeholder interests.

Examples commonly cited include:

- The pace of hiring relative to revenue and cash generation
- The timing and scale of capital expenditure or product investment
- Choices between different funding routes and structures
- The balance between short-term cost management and longer-term positioning

In these situations, CFOs are not generally the final decision makers. However, their perspective is often used to:

- Indicate the level of financial risk associated with different options
- Highlight where competing commitments draw on the same resources
- Suggest sequences that are more or less resilient if conditions move against plan

In responsible businesses and other organisations with explicit commitments beyond financial results, this often includes reflecting on how different paths sit with those commitments. Finance leaders in this context describe part of their role as ensuring that the financial implications of decisions are understood clearly enough that choices, and their consequences, are consciously made.

Boards and investors frequently comment that the presence of measured, well-articulated finance judgement – even when it occasionally runs against prevailing enthusiasm – is one of the factors that increases their confidence in leadership.

2.5 How these contributions change with scale and scrutiny

The four contributions described above remain relevant as organisations grow. What changes, based on the cases examined for this report, is the required level of robustness, speed and depth.

Several patterns can be seen:

- **Higher expectations of consistency**
  As businesses work with more institutional investors and lenders, tolerance for unexplained differences between reports decreases. Adjustments, restatements and timing issues receive more attention, and finance is expected to provide clear, timely explanations.
- **Greater demand for granularity in explanation**
  With more products, markets and channels, leadership and boards increasingly expect finance to describe performance and risk at a level that matches strategic and operational reality. Coarse analyses that once sufficed no longer provide enough insight.
- **Closer scrutiny of forward views**
  Where debt levels, fixed costs or investor expectations are significant, the consequences of misjudged forecasts rise. In these cases, the quality of scenario work, sensitivity analysis and contingency thinking becomes a central concern.
- **Stronger appetite for independent judgement**
  In more complex and scrutinised environments, boards and investors often look to the CFO for an assessment that is not merely an echo of optimistic plans. The ability to state a position clearly, backed by evidence, is valued even when it introduces challenge.

These developments do not alter the fundamental purpose of finance at leadership level. They do, however, increase the importance of how well finance is set up to provide these contributions, and how senior finance roles and teams are defined.

The next part of the report turns to that question. It looks at the portfolio of responsibilities typically carried by CFOs in businesses, the related roles of Controller, FP&A lead and Finance Director, and the patterns observed in how organisations have configured their senior finance bench as they move through different stages of impact and growth.

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Part II:
Senior finance roles & responsibilities

3. The CFO's portfolio in growing businesses

Across the businesses and investor-backed organisations underlying this report, the CFO role rarely consists of a single, cleanly defined job. Instead, it is better understood as a portfolio of responsibilities that expand and shift as the organisation grows.

CFOs typically describe their work as spanning five domains. How much time and attention each receives is influenced by scale, ownership, external expectations and the depth of the team around them.

3.1 Five domains of work in senior finance

Although terminology varies, the same underlying domains appear repeatedly in practice.

Control and assurance

This domain covers the integrity of the numbers and the basic safeguards around them. It normally includes:

- Overall responsibility for the truthfulness of financial statements
- Oversight of controls, reconciliations and key policies
- Comfort that tax, regulatory and statutory obligations are being met
- Interaction with auditors and, where present, audit committees

In the organisations considered here, both boards and investors tend to view this as a foundation. If confidence in this area is weak, attention often moves away from performance and decisions and onto basic reliability.

Finance operations

Finance operations is the work that keeps transactions flowing and the organisation functioning. Typical elements include:

- Billing and collections
- Supplier payments and expenses
- Payroll oversight
- Month-end close and routine internal reporting
- The systems and tools that support these processes

In smaller and mid-sized businesses, CFOs often remain closely involved in this domain, particularly where teams are lean or where historic issues have existed. As scale increases, a recurring theme is the need for clearer distinction between operational responsibilities and the CFO's wider agenda.

Planning and analysis

Planning and analysis covers the forward-looking and interpretive work of finance. It commonly includes:

- Budgets and forecasts
- Analysis of revenue, margin, cost and cash drivers
- Scenario work around different growth paths or shocks
- Support for evaluations of significant projects, contracts or investments

In many of the organisations studied, this domain begins informally, spread across a Controller, an analyst and the CFO. Over time, especially once external investors are involved, it tends to emerge as a distinct capability, often referred to as financial planning and analysis (FP&A).

Performance and resource allocation

This domain concerns how information is translated into action. Observed elements include:

- Connecting financial and operational performance for leaders of functions or units
- Helping to align plans, budgets and headcount with strategy
- Monitoring follow-through on agreed initiatives
- Supporting conversations about where to focus and where to pull back

In practice, this often depends on the quality of relationships between finance and other parts of the organisation. In responsible businesses, it also touches on how financial information is brought into decisions that involve trade-offs between different stakeholder interests.

Capital and external stakeholders

The fifth domain is the CFO's outward-facing role. It usually comprises:

- Responsibility for how the organisation presents itself financially to banks, investors and, in some cases, regulators or potential acquirers
- Input into capital structure and funding choices
- Ongoing management of key financial relationships
- Preparation for, and support through, capital raises, refinancings or transactions

CFOs in investor-backed responsible businesses frequently report that this domain grows in significance as institutional capital becomes more central to the organisation's plans, and as funders form views not only on the numbers, but on the quality of the finance function itself.

Taken together, these five domains illustrate the breadth of the modern CFO role in businesses. The balance between them, and the support available in each area, has a strong influence on how finance is experienced by the rest of the organisation.

3.2 Shifts in emphasis as organisations scale and take on investors

While each organisation has its own history, certain shifts in emphasis are visible across the cases drawn on for this report.

Early and lower complexity stages

When businesses are smaller and less complex:

- Control and finance operations tend to dominate.
- CFOs, or those in equivalent senior roles, spend significant time ensuring that the basics are correct and that reporting has some rhythm.
- Planning and analysis, performance work and capital topics are often addressed in bursts around the annual budget, a board cycle or a specific funding conversation.

At this point, finance leadership is frequently described in terms of stabilising and formalising what was previously informal.

Growth with formalised governance

As boards develop and responsible business commitments become more embedded:

- Expectations on planning and analysis increase.
- There is more regular interest from non-executive directors in drivers, unit economics and risk.
- The finance function is asked to support a broader range of conversations, including those about the financial implications of decisions with cultural or stakeholder dimensions.

CFOs often report that this is the stage at which they begin to feel a distinct pull between maintaining operational reliability and meeting the demand for deeper insight.

Investor-backed and more complex stages

Once institutional investors or more significant lenders are involved, and as businesses undertake larger initiatives:

- Planning and analysis becomes a core focus, rather than an occasional exercise.
- The capital and external stakeholder domain assumes greater weight, with more time spent on investor and lender interactions, capital structure and transaction-related work.
- Performance and resource allocation work becomes more structured, with finance expected to support more formal approaches to investment, prioritisation and follow-up.

In these organisations, CFOs frequently describe their role in terms very similar to those seen in other high-growth, investor-backed contexts, with the additional feature that responsible business commitments bring more attention to how decisions are made and communicated.

Across these stages, the underlying tension is similar: the demands on the CFO increase in scope and complexity faster than team capacity automatically adjusts. How organisations respond to this tension, particularly through the definition of adjacent senior roles, is a core theme in the next section of the report.

3.3 Tensions between operational load and strategic contribution

One of the most common observations from CFOs in responsible businesses and similar organisations concerns the tension between operational load and strategic contribution.

Several patterns appear repeatedly.

Operational work absorbing disproportionate time

In many organisations, CFOs report that:

- A substantial portion of their time remains tied up in resolving issues in finance operations or control, especially where systems are evolving or where historic problems have existed.
- Preparation of monthly, quarterly and board reporting consumes more effort than they believe should be necessary, given the value it delivers.

This is rarely described as unnecessary work. In most cases, it reflects the reality that the organisation has grown faster than its finance infrastructure and team depth.

Limited room for planning and analysis

Where operational demands remain high:

- Structured planning, scenario work and analysis are often compressed into short periods.
- Finance leaders sometimes indicate that they would like to engage earlier and more extensively in strategic discussions, but find themselves arriving when key parameters have already been set.

In organisations where investor expectations are high, this can create a sense that the CFO is continually catching up with both internal and external information needs.

Capital and external relationships competing for attention

For CFOs in businesses with significant bank or investor involvement:

- Time spent on capital and external relationships is often described as essential but unpredictable.
- Processes such as refinancings, raises or due diligence exercises can temporarily displace other elements of the role.

Some CFOs observe that, when external demands peak, their ability to support internal decision-making and

performance discussions reduces, despite those being areas where they believe they could add substantial value.

Impact on how the role is perceived

These tensions influence how the CFO role is seen by others. In organisations where operational issues are frequent, the CFO may be viewed primarily as the person who resolves problems and ensures compliance. In those where capital events are prominent, the CFO may be associated mainly with investor and lender engagement.

In the cases where finance is regarded as a strong contributor to leadership decisions, there is usually a clearer alignment between how the CFO's time is spent and the areas where their presence is most needed for the organisation's next phase. Achieving that alignment typically involves attention to the surrounding senior finance bench, as described in the following chapter.

3.4 The CFO's role in impact and growth decisions

In responsible businesses and related organisations, CFOs are often located at the junction of impact and growth considerations. The way they participate in key decisions frequently shapes both external perceptions and internal culture.

Illustrative themes include:

Articulating constraints and possibilities

CFOs in these organisations often describe their role as making clear:

- What is financially possible within existing commitments and structures
- Where constraints are binding and where there is room to move
- How different growth paths or initiatives would alter the organisation's resilience

This articulation is not presented as a veto, but as a way of enabling leadership and boards to choose with a clearer picture of the consequences.

Describing the financial implications of impact choices

When decisions involve significant commitments to employees, communities or environmental initiatives, CFOs recurrently:

- Quantify the immediate financial effects where practicable
- Indicate how choices may influence future flexibility, including the ability to raise capital or withstand downturns
- Help express to funders and boards why certain investments have been prioritised, and on what assumptions

In organisations with external investors, this translation work is often central to maintaining alignment between responsible business commitments and investor expectations.

Providing a steady voice under pressure

Several CFOs referenced in this report describe periods where performance, impact commitments and capital structures have all been under strain. In those instances, their role has often included:

- Maintaining factual clarity about the organisation's position
- Ensuring that decisions made under pressure remain consistent with basic standards of reporting and conduct
- Supporting leadership in communicating with employees, boards and investors in a way that is transparent about trade-offs

Boards and investors frequently note that their confidence during such periods is influenced as much by the quality of the CFO's communication and judgement as by the numbers themselves.

In this sense, the CFO role in businesses and investor-backed, purpose-driven organisations bears many of the features seen in other high-growth contexts, while also carrying an additional layer linked to the organisation's stated commitments. How that load is shared with other senior finance roles is the subject of the next chapter.

4. Configuring the senior finance bench

Across the businesses and investor-backed organisations behind this report, the effectiveness of finance rarely depends on a single senior individual. It tends to rest on a small group of roles that, together, carry control, analysis, business connection and external representation.

Titles vary, but four senior roles appear often enough, and with enough consistency of content, to be useful as a reference point.

4.1 Four senior roles commonly seen in practice

In the organisations examined here, senior finance responsibilities are most often shared across some combination of the following roles, even where the job titles differ.

Financial Controller or Head of Finance

This role usually carries primary responsibility for:

- Integrity of ledgers and financial statements
- Month-end close and management accounts production
- Core financial controls and reconciliations
- Coordination with auditors and tax advisers

Controllers are frequently described as the anchor of trust in the numbers. When this role is strong, leadership and boards report fewer debates about data quality and more time spent on interpretation.

Head of FP&A or FP&A lead

Where present as a distinct role, FP&A leaders tend to focus on:

- Budgets, forecasts and periodic reforecasts
- Analysis of revenue, margin, cost and cash drivers
- Scenario work and sensitivities around key uncertainties
- Financial input into major projects, pricing and investment cases

In businesses and investor-backed organisations, FP&A is often regarded as the bridge between data and decisions. Its emergence as a separate capability is one of the clearer markers of finance maturity.

Finance Director or equivalent

This role often sits between technical control and the CFO's broader remit, with an emphasis on:

- Connecting finance to day-to-day operations
- Working alongside functional or business unit leaders on plans and performance
- Coordinating the financial aspects of change initiatives
- Taking a visible leadership role inside the organisation on financial matters

In some organisations, the Finance Director is the most senior finance role. In others, the position sits alongside the Controller and FP&A lead, enabling the CFO to focus more on capital, external relationships and the wider leadership agenda.

Chief Financial Officer

The CFO role typically encompasses:

- Overall stewardship of the finance function
- Ownership of the financial narrative to boards, investors and lenders
- Responsibility for capital structure and key financial relationships
- Participation in strategy, risk and major decision-making at executive level

In businesses, particularly those with external investors, CFOs are often expected to engage credibly with both the impact commitments of the organisation and the expectations of capital providers. This dual focus shapes how they use and depend on the other senior finance roles.

These four roles are not a template. They are recurring ways in which organisations have divided senior finance responsibilities as the demands on finance have grown.

4.2 Patterns of overlap and stretch in growing organisations

In practice, relatively few businesses at growth stage maintain four fully separated senior finance roles. Overlap and stretch are common, especially in periods where the organisation has grown faster than the finance function.

Several recurring arrangements appear in the underlying cases.

Controller plus CFO, with limited FP&A

A frequent pattern is a strong Controller and a CFO, with planning and analysis spread between them. Indicators of this arrangement include:

- Budgets and forecasts largely assembled by the Controller with periodic input from the CFO and other leaders
- Analysis that is informative but constrained by available time and tools
- Scenario work undertaken mainly around board cycles or funding events

This set-up is often described as stable but underpowered for organisations facing more complex decisions and external expectations.

Controller as de facto Head of Finance and FP&A

In some businesses, particularly those earlier in their growth journey, the Controller or Head of Finance covers control, operations and much of the analytical work. The CFO title may not yet be in use.

In these situations:

- Month-end, reporting and budgeting depend heavily on one person
- Forward-looking insight can be strong, but remains closely tied to operational workload
- External relationships with banks or investors may be shared between this role and the chief executive

As complexity and capital increase, this concentration often becomes a point of concern for boards.

CFO with extensive operational responsibilities

Where team depth is limited, CFOs are sometimes drawn into detailed operational tasks that could, in other circumstances, sit with a Controller or Finance Director. Common examples include:

- Direct oversight of transaction processing and reconciliations
- Hands-on involvement in system implementations and fixes
- Personal ownership of complex models and key reconciliations

In the organisations reviewed, CFOs in this position frequently express a wish to devote more time to planning, capital and performance work, but find operational demands hard to reduce without structural change.

Emerging FP&A capacity, not yet formalised

In many responsible businesses, an analyst or small group undertakes planning and analysis work without a clearly defined FP&A mandate. This can result in:

- High-quality analysis in particular areas, but uneven coverage overall
- Dependence on specific individuals for certain models or insights
- Difficulty sustaining analysis alongside other responsibilities when activity peaks

Across the cases that have moved beyond this stage, leaders often note that clearer definition of FP&A responsibility was a turning point in improving the organisation's forward view.

These patterns are not necessarily problematic in themselves. Their significance tends to grow as decisions become larger, as boards become more demanding and as external funders pay closer attention to the shape and resilience of finance.

4.3 When FP&A tends to emerge as a distinct capability

Across the businesses and investor-backed organisations in scope, the point at which FP&A becomes a defined capability is influenced less by a specific revenue or headcount level, and more by the nature of decisions being taken.

Common features at the stage where FP&A emerges include:

- A greater number of initiatives competing for capital and management attention
- Increased interest from boards and investors in understanding underlying drivers and scenarios
- More frequent adjustments to plans, driven by changes in markets, products or capital availability

At that point, several limitations of ad hoc analysis begin to show:

- Difficulty exploring multiple strategic options in a structured way
- Reliance on individual spreadsheets that are hard to maintain or explain under scrutiny
- Limited time to integrate financial and non-financial information in support of decisions

Organisations that have introduced a clearer FP&A role, whether through reassignment or hiring, often report:

- More consistent forecasting and scenario work
- Improved ability to connect financial outcomes with operational activity
- Greater capacity to respond to questions from boards, investors and lenders without diverting the CFO from other domains

In responsible businesses, the FP&A function is also frequently involved in quantifying aspects of performance that are relevant to sustainability and impact reporting or to investor narratives on impact and growth, even where responsibility for non-financial metrics sits elsewhere.

4.4 Examples of how senior finance structures evolve over three to five years

Looking across multiple businesses and investor-backed organisations over three-to-five-year periods, certain trajectories in senior finance structure appear more often than others. These are not prescriptions, but they illustrate the kinds of adjustments that organisations have made as demands on finance increased.

From Controller led to CFO plus Controller

In organisations that began with a Controller or Head of Finance as the most senior role:

- The introduction of a CFO has often coincided with larger funding events, more formal boards or increased strategic complexity.
- The Controller role has, in many cases, been retained and clarified, with a focus on control, reporting and technical matters.
- The CFO has taken primary responsibility for capital, external relationships and a more visible presence at board level.

This shift is often cited where boards and investors have expressed a desire for a senior finance voice with broader experience.

From CFO doing "everything" to a clearer bench

In organisations where the CFO initially held responsibility for control, operations, planning and external relationships:

- The addition or strengthening of a dedicated Controller has reduced reliance on the CFO for detailed control work.
- The establishment of a defined FP&A lead or small FP&A team has provided structure around planning and analysis.
- In some cases, a Finance Director or similar role has been added to support business-facing activity and internal performance work.

CFOs in these organisations frequently report that these changes have allowed them to spend more time on capital, strategy and board engagement, while improving the quality of information available to the rest of the leadership team.

From informal to more deliberate business-facing roles

Across both businesses and other high-growth organisations, there is a trend toward more explicit business-facing finance roles as complexity increases. Over three to five years, this has taken forms such as:

- Finance leaders aligned to major functions or business units, working closely with their non-finance counterparts
- Greater emphasis on communication skills and organisational understanding in senior finance appointments
- Shared responsibility between finance and other leaders for performance discussions and follow-through

These developments are often described as responses to the need for finance to be understood and used across the organisation, not only at the centre.

Adjustment in response to investor involvement

When businesses take on institutional equity or more significant debt, senior finance structures frequently adapt. Observed changes include:

- Strengthening of Controller and FP&A positions to support more intense and regular scrutiny from boards, investors and lenders
- Refinement of the CFO remit to emphasise capital, external representation and contribution to strategy, rather than detailed operational tasks
- Occasional introduction of specialist roles, for example in treasury or investor relations, where funding structures and stakeholder groups become more varied

Boards and investors in these cases often comment that such adjustments increase their confidence that the organisation can handle both its internal plans and its external obligations.

Across these examples, the underlying pattern is one of gradual clarification and deepening of roles as the organisation's needs evolve. The following chapter looks beyond the senior bench to the wider finance team, and at the building blocks that support the contributions described earlier in the report.

5. Development of the wider finance team

As businesses grow, the experience of finance for most people in the organisation is shaped less by the CFO and more by the wider team. The way that team develops over time influences how well finance can sustain reliability, provide insight and support decisions without operating in a constant state of strain.

Across the organisations behind this report, the progression is rarely linear, but certain stages and building blocks appear often enough to be useful reference points.

5.1 A typical progression in finance team maturity

The details vary, but many responsible businesses and investor-backed organisations move through broadly similar phases in how their finance teams are configured.

Initial consolidation of basic finance activity

In early growth stages:

- Finance work is concentrated in a small number of people.
- The same individuals may handle bookkeeping, payroll, invoicing and basic reporting.
- Processes are often informal, with varying levels of documentation.

The focus is on keeping up with volume and avoiding obvious errors, rather than on structure.

Establishment of a clear "engine room"

As volume and complexity increase:

- Transaction processing, reconciliations and month-end move onto a more defined footing.
- Roles emerge around accounts payable, accounts receivable, payroll and general ledger.
- Basic controls, such as approval limits and segregation of duties, are formalised.

In organisations at this stage, finance teams often report that their workload is still high, but more predictable, with a clearer rhythm around monthly reporting and cash management.

Introduction of more specialised roles

Once basic processing and control are stable:

- Technical expertise (for example in tax or accounting policy) may be strengthened, either in-house or through closer use of external advisers.
- Analysts begin to focus more deliberately on planning and performance, even if FP&A is not yet a separate function.
- Some team members spend more time working with particular functions or business units.

Leaders in these organisations commonly note an improvement in the quality and speed of explanations, alongside greater resilience in routine activity.

Development of business-facing finance capacity

In later stages of growth, particularly where investor expectations are significant:

- Finance roles aligned to specific parts of the business become more common.
- Individuals in these roles are expected to understand both financial and operational drivers and to participate in local planning and performance discussions.
- The central finance team focuses more on standards, consolidation, capital and cross-organisational issues.

Where this model has been adopted with care, CFOs often describe a shift in how finance is perceived: from a central function that provides numbers to a set of colleagues who can help leaders across the organisation understand and act on those numbers.

The timing and exact configuration of these stages differ, but the underlying movement is consistent: from concentration and informality towards clearer structure, specialised capability and greater connection to the rest of the organisation.

5.2 Core building blocks in the finance team

Beneath these stages sit a number of building blocks that recur across businesses and investor-backed organisations. Whatever the organisational chart, effective finance teams tend to maintain capacity in each of these areas.

Processing and control

This includes:

- Sales invoicing and revenue recognition
- Payables, expenses and payroll
- Ledger management and reconciliations
- Routine controls around approvals and access

In teams where this building block is strong, month-end and basic reporting are described as predictable and dependable. Where it is weak, much of the energy of finance leadership is drawn into resolving operational issues.

Technical and regulatory expertise

Here the emphasis is on:

- Accounting policies for areas of judgement or complexity
- Tax compliance and planning, including VAT, corporation tax and, where relevant, cross-border matters
- Understanding of regulatory requirements that affect financial reporting

In many responsible businesses, this expertise is a mix of internal capability and external advice. As organisations grow, the level of internal awareness required typically increases, particularly when investor or lender documentation contains specific financial undertakings.

Planning, analysis and modelling

This building block covers:

- Budgeting and forecasting processes
- Analysis of performance drivers
- Model development for scenarios, projects and funding questions

In several of the organisations referenced in this report, the gradual formalisation of this area into a recognisable FP&A function has been a significant step in improving both internal decision-making and external confidence.

Business-facing finance roles

These roles are characterised by:

- Close working relationships with leaders of functions, business units or geographies
- Shared involvement in planning and performance discussions
- Focus on translating financial insight into operational and commercial choices

In businesses, business-facing finance roles are often involved in discussions about initiatives with both financial and non-financial implications, reflecting the organisation's wider commitments.

Leadership and coordination

Beyond specific tasks, the finance team also requires:

- Direction on priorities and standards
- Coordination between sub-teams and with other functions
- Attention to development, succession and workload balance

In larger businesses, this leadership is typically shared between the CFO and other senior finance roles, such as the Controller, FP&A lead or Finance Director.

The relative size and shape of each building block varies with scale and business model. However, in the organisations studied, gaps in any one area tend to show up quickly as specific kinds of strain.

5.3 Matching finance capacity to the scale and reversibility of decisions

One recurring observation from CFOs and boards in this report is that the appropriate size and shape of a finance team is influenced at least as much by the nature of decisions being taken as by headline revenue or headcount.

Several aspects emerge:

Scale of commitments

Where organisations are making larger commitments – for example to major capital projects, multi-year contracts or significant hiring ahead of revenue – there is greater reliance on finance to provide robust analysis and ongoing monitoring.

In these situations, limited planning and analysis capacity is often experienced as a constraint not on reporting, but on leadership's ability to test options thoroughly.

Reversibility of decisions

Decisions that are hard to reverse, such as entering new countries, taking on long-term leases or altering capital structure, tend to require more preparation and follow-through from finance.

CFOs in the cases examined here often highlight that, when such decisions are being made frequently, ad hoc or minimal analysis is rarely adequate, regardless of the organisation's overall size.

Sensitivity to external conditions

Organisations with business models that are highly sensitive to changes in demand, input costs or funding conditions often describe a need for:

- More frequent reforecasting
- Greater attention to scenarios
- Closer integration between finance and operational planning

In these contexts, finance teams that are sized and structured only for steady state conditions can find themselves under sustained pressure.

Number and type of external stakeholders

Businesses that answer to multiple funders, investors or regulators – alongside their own internal, sustainability and impact reporting – often require more finance capacity in areas such as:

- Coordination of external information requests
- Maintenance of covenant and headroom visibility
- Preparation of analysis to support discussions with different stakeholder groups

In organisations where this has not been recognised explicitly, finance teams sometimes report feeling perpetually reactive.

Across the cases informing this report, finance functions that are described as effective in supporting leadership tend to be those where team configuration and capacity have been considered in the light of these decision characteristics, rather than only as a percentage of revenue or total headcount.

5.4 Recurrent themes in deepening teams over time

When businesses and investor-backed organisations have chosen to deepen their finance teams, several themes appear repeatedly in how they have done so.

Strengthening the "engine room" before adding complexity elsewhere

In organisations where basic processing and control were fragile, leaders who later reported satisfaction with finance often invested first in:

- Improving processes and documentation
- Clarifying responsibilities within the team
- Ensuring that month-end and reporting could be delivered consistently

Only after this foundation was in place did they add more specialised or business-facing roles.

Formalising planning and analysis

A number of organisations describe a point at which they moved from:

- Ad hoc forecasting and analysis handled by whoever had capacity
  to
- A clearer FP&A function with defined responsibilities and, in some cases, dedicated tools

CFOs often highlight this shift as enabling more thoughtful strategy and funding discussions, as well as more structured engagement with boards and investors.

Developing finance people who can operate outside the function

In responsible businesses and other organisations with broader stakeholder commitments, finance team members who can:

- Work comfortably with colleagues in non-finance roles
- Explain financial implications in straightforward terms
- Engage in discussions about both financial and non-financial outcomes

are frequently singled out as particularly valuable. Over time, several organisations have adjusted hiring and development to favour these capabilities alongside technical competence.

Balancing internal development and external hiring

The organisations reflected in this report have taken different approaches to building their teams. Common considerations have included:

- Where existing team members can grow into new responsibilities with support
- Where specific experience or expertise is required at a level that is unlikely to be developed quickly enough internally
- How to maintain stability and institutional knowledge while introducing new skills and perspectives

In many cases, boards and CFOs describe the most effective developments as being neither sudden overhauls nor purely incremental additions, but targeted changes that recognised both current contribution and future needs.

Taken together, these patterns suggest that development of the wider finance team in businesses is less about following a fixed model and more about paying attention to the kinds of decisions being made, the expectations of stakeholders and the areas where current capacity is most stretched. The next part of the report looks at how these internal configurations of finance appear from the board table and to those who provide capital.



Part III: Finance, boards and capital

6. Finance in the boardroom

In the businesses and investor-backed organisations behind this report, the boardroom is one of the main places where the quality of finance becomes visible. The same numbers may appear elsewhere, but it is at the board table that they are most closely associated with questions of stewardship, risk and long-term direction.

Across different ownership structures, a relatively consistent set of expectations and working patterns has emerged.

6.1 Expectations boards commonly place on finance

Boards in these organisations tend to hold a multi-layered view of what finance is there to do. The emphasis shifts with circumstance, but several elements recur.

Reliable foundations

Board members frequently describe basic reliability as a threshold expectation. This usually includes:

- Information arriving on time, with a stable structure that allows trends to be seen
- Limited surprises in final numbers relative to what has been signalled during the year
- Clear treatment of one-off items and areas of judgement

Where this foundation is present, discussions can move more quickly to interpretation and choice. Where it is absent, a disproportionate amount of time is consumed by reconciling figures and understanding adjustments.

Clarity on performance and drivers

Boards repeatedly highlight the importance of understanding what sits behind headline numbers. Across the organisations studied, finance is expected to:

- Explain movements in revenue, margin and cost in terms of recognisable drivers
- Distinguish between structural changes and shorter-term fluctuations
- Provide insight into the economics of key products, services or customer segments

CFOs who are regarded as strong board contributors are often those who can speak fluently about these drivers without relying heavily on slides or spreadsheets, and who can connect them to the decisions the board is being asked to consider.

Visibility of risk and resilience

As businesses grow and, in some cases, take on more leverage or external investors, boards pay closer attention to risk and resilience. Finance is commonly expected to provide:

- A view on cash, covenants and headroom under different conditions
- Awareness of concentration risks, such as dependence on particular customers or funders
- A sense of the organisation's capacity to absorb shocks while maintaining key commitments

Board members in investor-backed responsible businesses often comment that, where finance is able to present this information calmly and clearly, confidence in leadership is strengthened, even when conditions are challenging.

Grounded judgement

Finally, boards frequently look to the CFO for a form of grounded judgement. This tends to be expressed as:

- A view on whether proposed plans and targets are consistent with underlying numbers
- An assessment of whether trade-offs have been recognised clearly
- A willingness to acknowledge uncertainty and limits where they exist

In many of the organisations considered here, board members describe the finance voice as particularly valuable when it helps the board to distinguish between issues that require immediate action and those that warrant monitoring.

6.2 How CEOs, CFOs and Chairs tend to work together between meetings

The way finance is perceived in the boardroom is shaped not only by what happens in formal meetings, but also by how the chief executive, CFO and Chair interact between them.

Across the businesses and investor-backed organisations in this report, several patterns appear.

Shared understanding of the narrative

Ahead of board cycles, it is common for the CEO and CFO to discuss:

- The main messages emerging from the numbers
- Areas where performance diverges from previous expectations
- Topics likely to attract particular interest from non-executives

Chairs frequently describe appreciating a concise, shared view of these points, whether in conversation or through a short summary. This does not imply full alignment on every interpretation, but it reduces the risk of ambiguity about the basic story the numbers are telling.

Early signalling of material developments

Boards generally respond more constructively when they hear about significant developments early, whether positive or negative. In the cases examined here, this has typically involved:

- Informal contact from the CEO and CFO to the Chair or key non-executives when trading, cash or risk indicators move meaningfully
- Follow up with more detail once the initial picture has been understood internally

Where this pattern is in place, board meetings are more often used to consider responses to developments that are already known, rather than to react to news that has only just emerged.

Coordination of external and internal perspectives

In investor-backed businesses, the board often includes representatives of capital providers as well as independent non-executives. The CFO and CEO are frequently at the centre of managing expectations across:

- Investor directors' perspectives on growth, return and timing
- Independent directors' views on risk, governance and long-term resilience
- The organisation's own commitments and constraints

Chairs in such settings often see part of their role as helping to ensure that finance is neither unduly influenced by one perspective nor left to mediate between them without support.

Feedback on information and interaction

In organisations where finance is regarded as strong at board level, feedback on board packs and finance presentations appears to be more frequent and more specific. Chairs and non-executives describe offering views on:

- Which elements of reporting are most useful
- Areas where greater clarity or context would help
- Aspects of CFO boardroom presence that support or detract from the discussion

CFOs who have received this kind of feedback and acted on it often refer to noticeable improvements in the quality of board interaction over time.

6.3 Development of the finance voice at the board table

The contribution of finance in the boardroom tends to evolve. Looking across the organisations behind this report, several stages can be discerned, though not every organisation passes through them in the same way.

Presentation and explanation

Initially, the CFO or senior finance leader is primarily responsible for walking the board through the numbers. The focus is on:

- Ensuring that reports are clear
- Answering questions about variances and one-off items
- Providing basic context around performance

In this phase, boards often pay close attention to whether the CFO appears to have a strong command of the detail and whether explanations are consistent over time.

Interpretation and connection

As confidence in basic reporting grows, boards tend to expect more in terms of interpretation. Finance is increasingly asked to:

- Connect financial trends to operational developments
- Comment on what current performance implies for strategy
- Highlight areas where emerging patterns may warrant attention

CFOs who are seen as effective at this stage are often those who can integrate information from across the organisation and communicate without overreliance on technical language.

Framing issues and options

In more mature settings, the finance voice is often involved in framing issues and options for the board. This can include:

- Outlining the financial implications of strategic choices
- Indicating which assumptions matter most and where uncertainty is greatest
- Suggesting criteria by which options might be compared

In businesses and investor-backed organisations, this frequently involves consideration of both financial outcomes and the organisation's wider commitments.

Board members interviewed for similar contexts often note that, at this stage, the CFO is regarded less as a presenter of information and more as one of the core contributors to board-level judgement.

6.4 When boards become a resource for finance

The relationship between boards and finance is not one-way. In a number of the organisations reflected in this report, boards have also played a constructive role in supporting the development of the finance function.

Instances of this include:

Perspective on structure and capability

Non-executive directors, particularly those with exposure to multiple organisations, can provide:

- Comparative views on how finance is structured elsewhere at similar stages
- Observations on whether expectations of finance seem realistic given its size and composition
- Insight into which capabilities external funders pay most attention to in practice

CFOs often mention such input as helpful when making the case for particular hires or changes in structure.

Support for targeted investment in finance

Boards that have developed confidence in finance leadership are often more prepared to support:

- Additional investment in people or systems where these are linked to specific improvements in information, resilience or decision support
- Short-term increases in finance workload around significant projects, transactions or changes in reporting requirements

Where these decisions are made with a clear understanding of trade-offs, finance teams report feeling better able to respond to external expectations without overextension.

Acting as a sounding board on capital and events

In organisations considering material changes in capital structure, significant acquisitions or other major events, Chairs and experienced non-executives often provide:

- A forum for testing the robustness of financial analysis and assumptions
- Insight into likely reactions from different investor or lender groups
- Views on timing and sequencing drawn from previous experience

Finance leaders involved in such discussions commonly describe them as useful preparation for interactions with external stakeholders.

Observation of succession and resilience

Boards also have a vantage point from which to observe succession risk and resilience within finance. In several organisations, non-executive interest in:

- Depth below the CFO
- Clarity of responsibilities in the senior finance bench
- The capacity of the finance team to handle stress events

has contributed to deliberate steps to strengthen finance ahead of planned changes or expected increases in scrutiny.

In this sense, the relationship between finance and the board can, at its best, be mutual. Finance provides the information, explanation and judgement boards need to fulfil their responsibilities. Boards, in turn, can provide perspective, support and challenge that help finance keep pace with the organisation's ambitions and obligations.

The next chapter looks at capital structure and funding, and at how different funding mixes influence both the demands placed on finance and the choices open to boards and leadership in businesses as they grow.

7. Capital structure and its practical effects

Across the businesses and investor-backed organisations reflected in this report, capital structure shows up less as a technical arrangement and more as a set of practical constraints and signals. The mix of equity, debt and other instruments influences how leaders think about risk, how quickly they can move and how outsiders interpret the organisation's room for manoeuvre.

The following sections describe what this looks like in practice, rather than in theoretical terms.

7.1 What capital structure means in day-to-day terms

In the organisations behind this report, capital structure is experienced through its effects on:

- The level and pattern of cash leaving the business in the form of interest, repayments and, occasionally, dividends
- The conditions attached to funding, such as covenants, information requirements and consent rights
- The expectations of different capital providers about growth, returns and timing

CFOs often summarise their position in terms of a few practical questions:

- How much fixed outflow is already committed, and how that compares to the variability of cash generation
- What conditions must continue to be met to avoid breaching agreements
- Where decision rights sit on major choices such as acquisitions, significant investment or further funding

Boards and finance leaders in businesses with external investors frequently add a fourth element: how well the current structure aligns with the organisation's stated commitments and with the expectations of those who have provided capital.

7.2 Main components seen in the organisations studied

Most of the organisations considered here use variations on a relatively limited set of funding components, combined in different proportions.

Equity

Typically in the form of:

- Ordinary shares held by founders, employees, impact investors, venture or growth funds, private equity or family offices
- In some cases, preference shares or similar instruments with differentiated rights

In practice, equity is associated with:

- Voting and governance influence
- Expectations on value creation and, for some investors, on eventual liquidity
- A degree of flexibility in difficult periods, where investors are prepared to adjust expectations or support additional capital

In businesses, equity providers range from impact-oriented funds to more conventional investors, with varying degrees of emphasis on financial return, timing and impact.

Debt and bank facilities

Common forms include:

- Term loans with scheduled repayments
- Revolving credit facilities and overdrafts
- Asset-backed lending such as invoice or inventory finance

Day to day, these bring:

- Regular interest costs and, often, amortisation
- Covenants around leverage, interest cover, liquidity or other ratios
- Information requirements and, in some cases, security over assets

CFOs in the organisations studied often describe managing this part of the structure as a balance between using relatively lower-cost capital and maintaining sufficient headroom to cope with variability.

Shareholder and related party loans

These include loans from:

- Founders or key individuals
- Parent companies or group entities
- Impact investors providing quasi-equity funding

They can offer flexibility on timing and terms, but they still represent claims on the organisation and are taken into account by other funders when assessing risk.

Hybrid and structured instruments

Less common, but present in some cases, are instruments such as:

- Convertible loan notes
- Mezzanine debt
- Preference instruments with both equity and debt features

Their practical effect is often to:

- Alter the distribution of risk and return between parties
- Introduce specific triggers at which rights or obligations change
- Add layers of complexity when modelling outcomes under different scenarios

In a number of investor-backed businesses, these structures have been chosen to align different investor priorities or to accommodate impact-related preferences within a broader capital stack.

7.3 How funding mixes influence behaviour, risk and choice

In the organisations reflected in this report, capital structure influences behaviour less through formal language and more through what it encourages or discourages in practice.

Some recurring effects include:

Leverage and headroom

- Higher levels of debt, particularly with tight covenants, tend to increase focus on near-term cash and earnings.
- Leadership teams may be more cautious about investments with longer or more uncertain payback, even if they align well with strategy and impact aims.
- Where headroom is comfortable, boards and CFOs describe feeling more able to tolerate volatility and to take advantage of opportunities that arise.

Conversely, extended periods spent close to covenant thresholds are often associated with a narrower set of acceptable choices and higher perceived personal risk for leaders.

Investor expectations and time horizons

- Venture and growth investors are frequently oriented towards expansion and market position, with a strong interest in revenue, unit economics and the path to profitability.
- Private equity ownership often brings closer attention to cash generation, margin development and return on capital, alongside any impact targets that have been agreed.
- Impact investors and some family offices may place more emphasis on aligning capital deployment with defined outcomes beyond financial return.

CFOs in businesses with mixed investor groups often describe part of their work as reconciling these perspectives into a funding path that the organisation can realistically deliver.

Control and consent

Funding arrangements in the organisations examined typically contain:

- Matters requiring investor or lender consent, such as acquisitions, disposals, additional borrowing or material changes in business model
- In some cases, step-in rights or enhanced governance mechanisms under defined circumstances

These provisions can provide reassurance to capital providers, but they also create additional relationships and processes that leadership must navigate when considering significant changes.

Behaviour in stress

CFOs and boards in businesses that have experienced difficult periods report that capital structure has a noticeable impact on:

- How quickly constraints begin to bite
- The options realistically available
- The stance adopted by different funders when results fall short of plan

In some cases, banks and investors have demonstrated flexibility within their mandates. In others, their own constraints have limited what can be agreed, irrespective of the organisation's purpose or longer-term potential.

These patterns contribute to how boards and CFOs think about future funding choices. Decisions about capital structure are often framed not only in terms of cost, but in terms of how different mixes might behave under stress.

7.4 A simple funding life cycle in businesses with investors

While each organisation has its own history, the funding journeys observed in responsible businesses and similar organisations often pass through recognisable stages.

Founding and early growth

Funding is typically drawn from:

- Founders, friends and family
- Early supporters aligned with the organisation's aims
- Modest bank facilities backed by personal guarantees or simple security

At this stage, finance is largely concerned with survival, early product development and building enough track record to attract the next layer of support.

First institutional or impact investors

As businesses establish a clearer proposition and market position, the next phase often involves:

- Investment from impact funds, early-stage venture capital or mission-aligned investors
- More formalised boards, with investor representation and independent members

- Greater expectations on reporting and planning, including non-financial measures relevant to responsible business commitments

In this period, CFOs frequently note that finance moves from being an internal service to a central part of how the organisation is interpreted by outsiders.

Larger growth capital and extended debt facilities

When organisations pursue more ambitious growth or expansion:

- Later-stage venture, growth equity or private equity investment may be introduced
- Bank facilities may expand in size and complexity, sometimes including multiple lenders or asset-backed arrangements
- Questions of capital structure, return and timing become more prominent in board discussions

At this stage, the requirements placed on finance in terms of forecasting, scenario work and covenant management usually increase materially.

Major strategic events

A number of responsible businesses and similar organisations then progress towards:

- Partial or full exits, often to larger trade buyers, private equity owners or long-term impact investors
- Significant refinancing or recapitalisation events
- Structural changes in ownership, incentive and governance arrangements

In these cases, the quality of finance – in terms of information, systems, people and judgement – is frequently highlighted as a factor in how potential buyers or funders assess the organisation.

Not all businesses follow this path. Some remain privately held with modest leverage. Others combine elements in different sequences. The common element is that, at each stage, the design and capability of finance are tested in ways that reflect the prevailing capital structure.

7.5 Design features that tend to support resilience

While no single capital structure suits all businesses, certain features appear, across the organisations in this report, to support resilience over time.

Headroom that acknowledges volatility

In businesses with variable revenue or cost patterns, structures that allow for credible swings without immediate breach tend to be associated with:

- Greater confidence in planning
- More measured reactions to short-term underperformance
- Less frequent recourse to emergency renegotiations

CFOs in these organisations often comment that slightly higher funding costs can be justified by the stability that comes from realistic headroom.

Alignment between funding and business model

Where the duration and risk profile of funding match the nature of the organisation's activities:

- Long-term, asset-intensive or slow-payback initiatives are less exposed to short-term funding cycles
- Shorter-term facilities are used for working capital and seasonality, rather than to support structural needs

In businesses with significant impact initiatives, this kind of alignment is sometimes critical to sustaining commitments during periods of financial pressure.

Diversity without excessive complexity

Several organisations report benefits from:

- Having more than one source of capital, to reduce dependence on a single funder
- Avoiding an accumulation of small, overlapping instruments that are hard to manage as a whole

Boards and CFOs in these settings often highlight the importance of being able to explain the capital structure clearly, both internally and to external stakeholders.

Clarity on roles and expectations

In organisations where capital structure is seen as manageable rather than opaque, there is usually:

- A shared understanding at leadership and board level of key terms, constraints and opportunities
- A realistic view of how different funders are likely to respond under various scenarios
- Agreement on the broad principles that should guide future funding decisions

CFOs note that this clarity can be particularly valuable when conditions are less favourable and decisions have to be made under time pressure.

These features are not guarantees. They do, however, appear frequently in responsible businesses and related organisations that describe their funding arrangements as supporting, rather than constraining, their progress.

7.6 Roles of board, chief executive and CFO in funding decisions

In the organisations underlying this report, decisions about capital structure are shared responsibilities. The division of

roles is not identical everywhere, but certain patterns are visible.

Board

Boards are generally responsible for:

- Setting overall risk appetite and return expectations
- Approving significant funding decisions, such as major debt facilities, equity rounds or changes in capital structure
- Balancing the interests of different stakeholder groups, including existing and potential future investors

In responsible businesses, boards also carry responsibility for ensuring that funding choices are consistent with the organisation's commitments, or that any tensions are understood and addressed.

Chief Executive

Chief executives are typically at the centre of:

- Articulating the strategy and growth path that funding is intended to support
- Leading engagement with potential investors, lenders and strategic partners
- Holding the broader narrative that links capital, people and the organisation's aims

CFOs in these organisations often describe their work as closely interwoven with that of the chief executive in this area, with each bringing different strengths to discussions with funders.

CFO or most senior finance leader

The CFO is usually responsible for:

- Translating strategic intent into specific funding options and structures
- Modelling the financial implications of different capital mixes and terms
- Maintaining an integrated view of covenants, headroom and risk across all funding sources
- Managing ongoing relationships with banks, investors and key advisers on financial matters

Boards and CEOs in the organisations studied often note that the CFO's ability to present funding choices clearly, including constraints and uncertainties, is central to their confidence in capital decisions.

Other senior leaders and advisers

In some cases, other executives, such as COOs or business unit leaders, are involved in funding discussions where their areas are significantly affected. External legal, financial or impact advisers may also contribute specific expertise.

Across the businesses and investor-backed organisations in scope, the most constructive funding decisions appear to be those where these roles are clear, where finance is integrated into strategic thinking rather than brought in late, and where the implications of capital structure for both operational freedom and wider commitments are understood.

The next chapter looks outward from capital structure to the wider set of funders and investors, and considers how they interpret the quality of a finance function when deciding how to support businesses as they grow.

8. How funders interpret the finance function

For many of the businesses and investor-backed organisations behind this report, the quality of finance is one of the main signals funders use when forming a view on whether, and on what terms, to provide capital. The numbers themselves matter, but so does the way they are produced, explained and challenged.

Different types of funder emphasise different aspects. The patterns below reflect recurring themes across lenders, equity investors and potential buyers.

8.1 Lender perspectives on finance quality and information

In the organisations studied, banks and other lenders tend to focus on three broad questions:

- How predictable cash generation appears to be
- How much headroom is realistically available
- How reliable the information is that they are being given

From a finance perspective, lenders pay particular attention to:

Consistency and cleanliness of data

Repeated themes include:

- Management information that reconciles clearly to statutory accounts
- Limited reliance on manual adjustments to reach covenant or ratio numbers
- A coherent treatment of one-off items and areas of judgement

Where this consistency is present, lenders are generally more comfortable forming views on risk. Where it is not, they may respond by tightening terms, increasing pricing or limiting flexibility.

Forecasting and covenant visibility

Lenders in these cases often look for:

- Forecast cash flows that connect visibly to trading performance
- A clear view of covenant headroom over time, rather than a single point estimate
- Evidence that the finance team understands which variables have the greatest effect on covenant outcomes

CFOs who maintain simple, transparent models that can be adjusted and discussed in detail tend to report more constructive lender relationships than those who rely on opaque spreadsheets or third-party tools that cannot easily be explained.

Communication under stress

Lenders that have been involved through more difficult periods frequently comment on:

- Whether they received early notice of emerging issues or only found out when positions were already tight
- How calmly and clearly leadership, and the CFO in particular, described the situation and proposed responses
- The degree to which information later proved consistent with initial explanations

In responsible businesses, lenders may also pay attention to how organisations deal with employees, customers and other stakeholders under strain, but the primary lens remains financial. The state of the finance function is often taken as a proxy for how seriously obligations are taken.

8.2 Investor perspectives in venture and private equity-backed businesses

Equity investors, whether venture, growth or private equity, also scan finance for signals about the business. While their focus differs by stage and fund type, several common threads emerge.

Understanding of the business model

Investors in the organisations reflected here often assess:

- How well finance can articulate unit economics, drivers of growth and margins
- Whether there is a shared understanding between finance and commercial teams on what creates value
- The extent to which financial and non-financial metrics are integrated into a coherent picture

Where CFOs can talk about customers, products and markets with as much fluency as about ledgers, investors tend to infer a higher degree of organisational grip.

Scalability of finance alongside the business

Investors also look for signs that finance can support the next stage, not only the current one. Indicators include:

- Capacity in planning and analysis, beyond a single individual
- Evidence that systems and processes can cope with higher volume or complexity
- Early thinking about how the senior finance bench might need to evolve as the organisation grows

In responsible businesses, this frequently extends to questions about how finance will handle more extensive impact reporting and the integration of financial and non-financial information as the organisation scales.

Behaviour around information and challenge

Equity investors in these cases often observe how finance behaves when:

- Performance diverges from plan
- Targets are being reset or revised
- There is disagreement about assumptions or priorities

CFOs who can present less favourable developments without defensiveness, acknowledge uncertainty and still offer a clear view on options are commonly regarded as strengthening the investment case. Investors tend to see this as evidence of maturity in both finance and wider leadership.

8.3 How family offices and strategic buyers read finance in potential acquisitions

In responsible businesses and similar organisations that have considered or completed sales, whether partial or full, potential buyers have paid close attention to finance.

Two groups appear frequently in the underlying cases: family offices and strategic trade buyers. Their perspectives often share certain features.

Depth and resilience of finance

Potential buyers typically assess:

- Whether the organisation is heavily dependent on a small number of finance individuals
- How well documented processes, reconciliations and models appear to be
- Whether the finance function could integrate into, or operate alongside, their existing structures

Where finance seems narrow or overly reliant on a single person, buyers may factor in the cost and risk of strengthening it post-acquisition.

Quality of information for decision making

Buyers frequently comment on:

- The ease with which they can obtain data at the level of detail they require during due diligence
- The coherence between financial information and operational accounts from other parts of the organisation
- The extent to which historic performance can be analysed in terms that match their own frameworks

In responsible businesses, potential buyers also vary in the extent to which they consider impact and sustainability metrics central to their assessment. In those where impact is part of the investment thesis, finance is often expected to provide at least some linkage between financial and non-financial information.

Signals about governance and culture

For both family offices and trade buyers, finance is also one of the ways they infer governance quality and culture. Observed signals include:

- Whether issues in historic reporting have been identified and addressed openly
- The tone with which CFOs and other leaders discuss past performance, including mistakes
- The alignment between what is said about commitments and what is visible in numbers and disclosures

In several examples, potential buyers have placed higher value on organisations where finance has demonstrated a willingness to confront and correct issues, rather than those where an absence of visible problems is assumed to equate to strength.

8.4 Indicators of readiness before raises, refinancings and sales

Across many of the businesses and investor-backed organisations in this report, there is a discernible difference between those that describe themselves as “ready” for significant funding events or transactions and those that experience such events as sources of intense strain.

A number of indicators of readiness recur.

Integrated historic information

Organisations that report smoother experiences typically have:

- Historic financial statements that are reconciled and internally consistent
- Management information that aligns with audited accounts over time
- Clear explanations for any changes in accounting policies, treatments or segmentations

Where this integration is absent, due diligence and lender reviews can take longer and consume more management attention.

Forecasts and scenarios that withstand questions

Readiness also tends to be associated with:

- Forecast models that finance teams understand and can adjust in real time
- Scenarios that have been considered in advance, rather than built only for the purposes of a transaction or raise
- A clear narrative about the assumptions underlying forecasts, including how they relate to responsible business commitments and planned investments

Funders and buyers in these cases often comment that robust, transparent forecasting increases their comfort with both downside protection and upside potential.

Capacity to respond without destabilising operations

In organisations that have managed capital events without undue disruption, finance teams describe:

- Having enough people, and clear enough roles, to handle additional information requests
- The ability to continue delivering day-to-day reporting and decision support during intense periods
- Prior identification of where support from other parts of the organisation will be required

By contrast, where finance is already at full stretch, major events can lead to backlogs, errors or delays that persist beyond the immediate process.

Shared understanding of implications among leaders

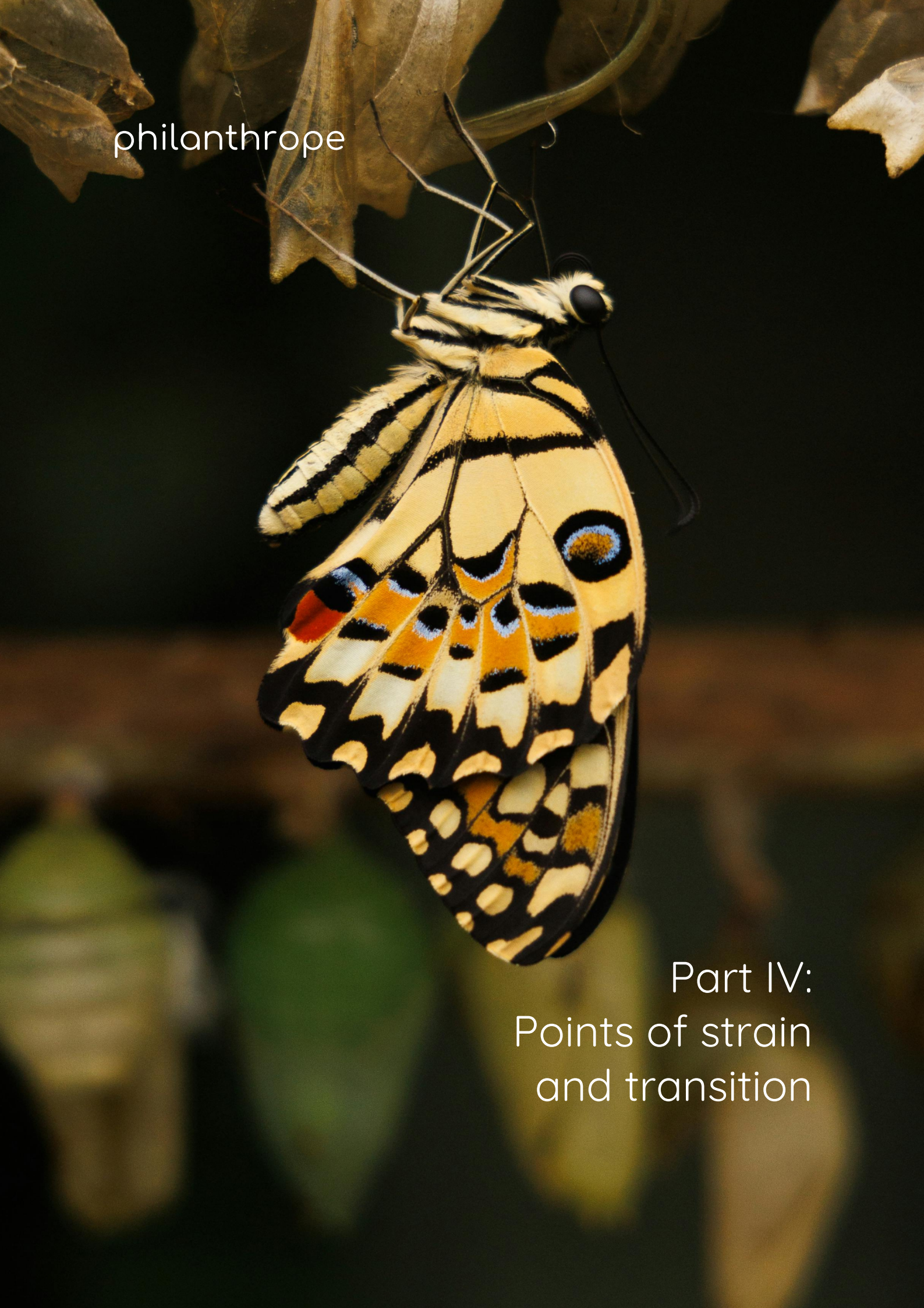
Finally, readiness is often associated with a degree of alignment at leadership and board level on:

- Why a particular funding event or transaction is being pursued
- The range of acceptable outcomes, including on valuation, control and obligations
- The implications of different scenarios for the organisation's commitments and future choices

In responsible businesses, this alignment typically extends to consideration of how different paths would interact with stakeholder relationships and longer-term ambitions.

The patterns in this chapter suggest that, from the perspective of funders and potential buyers, the state of finance is read as a proxy for the organisation's overall reliability, capacity and seriousness about its responsibilities. The next part of the report looks at internal points where finance is most often revisited, and at how businesses have adjusted senior finance leadership and structures at those moments.

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Part IV: Points of strain and transition

9. Common inflexion points for finance in businesses

In the businesses and investor-backed organisations reflected in this report, finance structures rarely change on a blank sheet. They are usually revisited around particular moments when existing arrangements come under visible strain, or when the consequences of weaknesses become more material.

While the specifics differ, certain inflexion points appear repeatedly.

9.1 Introduction of institutional or significant external investors

One of the most consistent catalysts for re-examining finance is the arrival of institutional or otherwise significant external investors. This includes growth and venture funds, private equity, some family offices and larger impact investors.

At this stage, businesses often experience:

- More formalised boards, including investor representatives and independent non-executives
- Increased expectations on the timeliness, structure and depth of information
- Closer attention to forecasting, unit economics and cash generation

CFOs and finance leaders frequently describe an initial period of adjustment as reporting and planning move from being primarily internally focused to serving a broader set of external expectations. In several organisations, this has been the point at which questions about the definition of the CFO role, the strength of the Controller position and the presence or absence of FP&A have come into sharper focus.

Boards in these situations often notice that the existing finance set-up, which has served adequately to that point, is now being asked to carry a higher level of scrutiny and interaction than it was designed for.

9.2 Larger or more complex debt arrangements

Another inflexion point observed across the organisations behind this report is the move from relatively simple bank facilities to larger or more structured debt.

Examples include:

- Increased term loans with more detailed covenants
- Introduction of revolving credit facilities linked to performance or asset levels
- Addition of specialist lenders or multiple banking relationships

In practice, these changes tend to increase the demands on finance in areas such as:

- Regular covenant calculation and headroom monitoring
- Cash flow forecasting under different trading scenarios
- Coordination of information flows to lenders and advisors

CFOs often report that, once these facilities are in place, the need for reliable processes, clear ownership of covenant reporting and integrated views of cash and performance becomes more apparent. In some cases, the experience of navigating a period of weaker performance under new debt arrangements has exposed limitations in the existing finance structure that were less visible beforehand.

9.3 Expansion into new countries or business lines

Geographic expansion and diversification of business models are also common points at which finance is revisited.

When businesses enter new countries, add significant product lines or adopt different revenue models, finance often encounters:

- New tax, regulatory and reporting environments
- Additional currencies and banking arrangements
- More complex revenue recognition and cost allocation questions

Finance teams describe a transition from relatively straightforward ledgers to structures that must accommodate multiple legal entities, varied contractual arrangements and different local practices. In this environment, the demands on technical expertise, systems and coordination increase.

Organisations that have grown in this way often look back on this phase as the one where the limits of informal, highly individualised approaches in finance began to become clear.

9.4 Acquisitions, disposals and joint ventures

Transactions involving other organisations are another prominent source of inflexion.

Across the cases informing this report, acquisitions, disposals and joint ventures have brought:

- The need to understand and integrate another organisation's financial information
- Additional complexity in consolidation, reporting and banking arrangements
- Intensive external scrutiny from counterparties, advisors and, in some cases, regulators

CFOs frequently note that periods of transaction activity test both the capacity and resilience of finance. Activities

that must continue regardless, such as payroll, billing and standard reporting, run alongside due diligence, integration planning and post-deal adjustments.

These experiences often highlight whether there is enough depth in the senior finance bench, how robust systems and reconciliations really are, and how well roles within finance are defined for handling exceptional workloads.

9.5 Leadership succession and exit discussions

A further inflexion point involves changes at the top of either the organisation or the finance function, and discussions about ownership succession or exit routes.

In businesses and investor-backed organisations, this has taken forms such as:

- Founders moving towards reduced operational involvement or different roles
- Long-standing CFOs considering stepping back, changing focus or leaving
- Boards exploring potential sale, partial exit or new long-term capital partners

At these moments, questions tend to arise about:

- How dependent the organisation has become on specific individuals in finance
- Whether current senior finance roles are defined in a way that will still be appropriate under a different ownership or leadership model
- How the finance function would be perceived by potential buyers or new investors

Boards and existing investors often pay closer attention at such times to succession depth within finance, the clarity of responsibilities across Controller, FP&A, Finance Director and CFO roles, and the ability of the function to support more far-reaching strategic options.

Across all of these inflexion points, the common feature is not that finance has failed, but that the organisation's demands have moved beyond the conditions for which the current set up was originally shaped. The next chapter looks more closely at how senior finance leadership roles have changed in response, and at the patterns seen when organisations have adjusted or renewed their CFO and related positions.

10. Patterns in changes to senior finance leadership

In the businesses and investor-backed organisations behind this report, senior finance leadership has rarely been static. As capital structures, boards and strategic ambitions have evolved, the expectations placed on the most senior finance role have shifted.

Organisations have responded in different ways: by redefining existing roles, strengthening the surrounding team, or, at certain points, appointing new leaders from outside. Across these cases, some clear patterns emerge.

10.1 How demands on the senior role tend to shift

For many responsible businesses, the person in the top finance role has been in place since relatively early in the organisation's development. Over time, the demands on that role typically change in several directions.

From internal focus to wider external exposure

Initially, the senior finance leader works primarily within the organisation, concentrating on:

- Establishing basic processes and controls
- Producing initial reporting for founders and early boards
- Managing day-to-day cash and supplier relationships

As the organisation grows and brings in external investors or more substantial debt, the role often expands to include:

- Regular interaction with investor and lender representatives
- Participation in discussions about capital structure and funding options
- Increased visibility in board and, occasionally, public forums

This shift places more weight on communication, judgement under scrutiny and comfort with capital markets or investor expectations.

From detailed involvement to portfolio oversight

In early and mid-stages, senior finance leaders are frequently hands-on with:

- Month-end close and specific reconciliations
- Construction and maintenance of key models
- Direct supervision of transaction processing

Later, particularly in larger or more complex businesses, the role is expected to move towards:

- Setting standards and direction for the finance function
- Relying on others to manage detailed processes
- Focusing on information quality, decision support and external representation

This progression depends heavily on the development of capable Controllers, FP&A leaders and other senior colleagues.

From predominantly financial to broader organisational role

Over time, CFOs in these organisations are also drawn further into:

- Strategy formation and testing
- People and organisation questions, including leadership dynamics
- Decisions where financial analysis interacts with commitments to employees, customers and other stakeholders

Boards and chief executives increasingly look to the senior finance leader as one of the people who can hold a joined-up view across financial, operational and organisational issues.

These shifts do not always happen cleanly or at the same pace. Misalignment between what the role is becoming and how it is defined can create pressure for both the individual and the organisation.

10.2 Adjustments around existing leaders observed in practice

In many of the businesses and investor-backed organisations considered here, the first response to this shifting demand has not been to replace the senior finance leader, but to adjust their context.

Common adjustments include:

Clarifying and narrowing the senior remit

Where the senior leader has been covering too many areas in depth, organisations have often chosen to:

- Re-emphasise responsibility for certain domains, such as capital, external stakeholders and overall direction of finance
- Move detailed operational tasks to a strengthened Controller or finance operations lead
- Reduce ad hoc demands that cut across the senior leader's ability to focus on the areas only they can handle

This has allowed experienced finance leaders to remain effective as CFOs, rather than becoming permanently overloaded heads of everything.

Strengthening the Controller role

A frequent step has been to:

- Elevate the Controller position, in title, scope or both
- Make this role clearly accountable for integrity of accounts, reconciliations and core reporting
- Ensure the Controller has sufficient authority and resources to maintain standards

Boards and CFOs often note that this adjustment has been key to freeing senior finance time for planning, analysis and capital work.

Formalising FP&A and analysis

Another recurring adjustment has involved:

- Creating or clarifying a lead role for planning and analysis
- Providing explicit time and mandate for forecasting, scenarios and performance insight
- Integrating FP&A more closely with both finance and operational leadership

In organisations that have taken this step, CFOs frequently report that they can participate more fully in strategic and investor discussions, supported by a more robust analytical base.

Reframing titles and reporting lines

In some cases, particularly where the original senior finance leader has strong operational strengths but limited appetite for external capital work, organisations have:

- Redefined the role as Finance Director, with a focus on internal performance and operations
- Introduced a CFO role above or alongside, with a clearer emphasis on capital and external representation
- Adjusted reporting lines to reflect where different aspects of finance leadership now sit

These changes have sometimes been made within the existing team, allowing individuals to continue contributing in roles that match their skills and interests.

10.3 Situations where organisations move to external hires

Despite these adjustments, there are circumstances where organisations in this report have concluded that an external appointment to the most senior finance role is appropriate.

The circumstances have generally involved combinations of the following factors.

Significant change in scale or complexity

Examples include:

- Rapid expansion in revenue, headcount or geographic footprint
- Introduction of materially larger debt or equity funding
- Multiple substantial projects or acquisitions proceeding in parallel

In such settings, boards have occasionally judged that the organisation requires a CFO with prior experience of operating at the new level, including familiarity with capital structures, governance and systems of that scale.

Persistent gaps in critical domains

Over time, boards and chief executives in some organisations have observed:

- Repeated difficulties in producing reliable forecasts or analysis at the depth required
- Limited engagement from the senior finance leader with capital and external stakeholders
- Challenges in leading and developing a growing finance team

When these issues have continued despite attempts to adjust roles and strengthen the team, external hires have sometimes been made to address them.

Upcoming events with high external exposure

Some responsible businesses have faced:

- Planned major funding rounds or refinancings
- Strategic sales or partial exits
- Other events likely to attract close scrutiny from investors, lenders or buyers

In these situations, where timelines have been relatively short, boards have occasionally decided that an external CFO with specific transaction or capital markets experience is necessary to navigate the period effectively.

Mutual recognition of changing fit

In several cases, senior finance leaders themselves have concluded that the future shape of the role would not match their interests or strengths. Examples include:

- Preference for more operational or technical work than the evolving CFO role would allow
- Limited appetite for external investor and capital markets engagement
- Desire to work in different types of organisation or at earlier stages of growth

In such circumstances, planned transitions to external successors have sometimes been agreed.

Across these examples, the move to an external hire has tended to be described as a response to a changed role, rather than as a simple reaction to poor performance.

10.4 Features of transitions that preserve trust and continuity

Changes in senior finance leadership are visible events. In the organisations examined here, transitions that have maintained trust and organisational stability have shared certain characteristics.

Clear articulation of context

Boards and chief executives who have managed these changes constructively have generally:

- Explained that the organisation's size, complexity or funding position has changed materially
- Described how this has altered the demands on the senior finance role
- Positioned any new appointment in that context, rather than in terms of individual shortcomings

This framing helps internal and external stakeholders understand the change as part of the organisation's development.

Recognition of contribution

Where outgoing leaders have made significant contributions, boards and executives have often been explicit about:

- The stages of growth for which the individual was particularly important
- The work they did to build basic finance capabilities and trust in the numbers
- The respect in which they are held, irrespective of role changes

Such recognition has frequently been linked to continued involvement in other capacities, where that has been appropriate and agreed.

Attention to handover of knowledge and relationships

Effective transitions have usually included:

- Structured handover of key reconciliations, models and process knowledge
- Deliberate introduction of the incoming leader to important internal and external stakeholders
- A period in which both outgoing and incoming leaders are available to finance teams and colleagues

In some cases, this has been relatively brief. In others, there has been a sustained overlap. In both, the emphasis has been on protecting continuity, particularly in control, reporting and capital relationships.

Clarity about the new role

Incoming CFOs in these organisations have tended to be most effective when:

- Their remit has been defined succinctly, including priority areas for the first period
- The relationship with other senior finance roles has been clarified at the outset
- Expectations from the board, chief executive and investors have been discussed explicitly

Where these elements have been in place, organisations report smoother adjustments and less internal uncertainty.

Across the businesses and investor-backed organisations in this report, senior finance leadership transitions have often marked important stages in the organisation's development. They have provided opportunities to realign finance with new levels of complexity and external expectation, while also making visible the importance attached to stewardship and continuity.

The final part of the report turns to what appears to be changing more broadly in finance work and senior finance profiles, and to a set of reference frameworks that have proved useful to boards and CFOs when thinking about the future of finance in their organisations.

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Part V: Emerging patterns and reference frameworks

11. Enduring foundations and emerging trends in finance

Across the businesses and investor-backed organisations behind this report, finance work has continued to change in visible ways. At the same time, certain foundations have remained constant. The interaction between these two elements is shaping what is expected of finance leaders and teams.

11.1 Elements of finance work that appear stable over time

Despite shifts in tools and structures, several features of finance show little sign of disappearing.

Trusted numbers

In all of the organisations considered here, confidence in the numbers remains a non-negotiable requirement. This includes:

- Records that are complete and accurate
- Reporting that can be reconciled across different views
- Clear distinction between recurring performance and one-off items

Boards, investors and leadership teams still treat trustworthy information as the basis on which other conversations depend.

Attention to cash and obligations

Whatever the funding mix, cash and obligations continue to be central. CFOs in responsible businesses and similar organisations consistently emphasise:

- Awareness of cash movements and liquidity
- Visibility of upcoming commitments, including debt service and other fixed outflows
- Understanding of how far plans can be pursued within these constraints

In organisations with external capital, this is closely tied to meeting covenants and maintaining flexibility. In responsible businesses, it also affects the ability to sustain commitments over time.

Judgement on risk and trade-offs

Finance leaders remain among the few people expected to hold a structured view on:

- Financial risk associated with different strategic options
- Trade-offs between competing uses of limited resources
- The timing and sequencing of initiatives, particularly where reversibility is limited

Boards across multiple cases continue to describe this form of judgement as one of the main reasons they value strong senior finance input.

Stewardship and integrity

Finally, the expectation that finance will act as a steward of the organisation's financial position and obligations appears unchanged. In practice, this involves:

- Maintaining standards of reporting and disclosure
- Ensuring that commitments to funders, regulators and employees are honoured
- Providing an accurate account of performance, even when the results are unwelcome

In responsible businesses, where public statements bring additional visibility, these qualities are often seen as particularly important.

11.2 Shifts in automation, data and expectations of analysis

Around these foundations, the environment in which finance operates has altered.

Automation of routine activity

In a growing number of cases:

- Transaction processing is increasingly handled through integrated systems
- Reconciliations and checks are supported by automation
- Routine reports are generated from standardised data structures

This has not removed the need for oversight. It has, however, shifted some emphasis from manual processing to system design, monitoring and exception handling.

More, and more varied, data

Finance teams now have access to:

- Operational and customer data at levels of detail that were previously uncommon
- External benchmarks and market information that can be linked to internal performance
- Non-financial measures, including those relevant to sustainability and impact reporting

CFOs frequently note that the challenge has moved from obtaining data to deciding which data genuinely supports better decisions and external conversations.

Higher expectations of analysis and communication

Boards, investors and internal leaders in these organisations increasingly expect finance to:

- Provide timely, structured analysis on performance and scenarios
- Explain complex situations in straightforward terms
- Support discussions about options with quantified implications

In several responsible businesses, this has led to greater emphasis on FP&A, and on finance roles that combine technical comfort with strong communication skills.

In a number of organisations, early uses of AI are beginning to appear in finance, particularly in forecasting, trend analysis and the drafting of commentary. CFOs involved in this report tend to describe these tools as extensions of existing analysis rather than replacements for judgement. The practical challenge has been to integrate them into controls and governance in ways that improve insight without undermining trust in the numbers.

11.3 Increasing interaction with technology and data teams

As systems and data become more central, finance is working more closely with technology and data functions.

Observed features include:

- Joint responsibility for elements of the data architecture that underpin reporting and analysis
- Collaboration on tools used for planning, forecasting and performance management
- Shared interest in data quality, access controls and security

In some organisations, finance has taken a leading role in specifying requirements for systems that affect financial and non-financial reporting. In others, tensions have arisen where parallel solutions have developed without clear alignment.

For responsible businesses, where impact and other non-financial information form part of external reporting and narratives, these relationships are particularly relevant.

11.4 Implications for future senior finance profiles in responsible businesses

Taken together, these developments are influencing the profile of senior finance leaders who are sought by businesses and investor-backed organisations.

CFO roles in these settings increasingly combine:

- Familiarity with capital structures and external stakeholders
- Comfort with data-rich environments and greater use of automation
- The ability to connect financial perspectives with wider organisational and stakeholder considerations

Boards involved in searches and succession planning frequently mention combinations of:

- Strong grounding in control and assurance
- Experience of planning, analysis and performance support
- Exposure to funding events, debt structures or investor relations

Some also highlight experience in environments where non-financial commitments are taken seriously and reflected in decisions, whether or not formal certification is present.

The next chapter turns from these broader patterns to a set of frameworks and lenses that boards, CFOs and finance teams have found useful when considering the future of finance in their organisations. These frameworks are descriptive of practices observed in the field, rather than prescriptive tools.

Boards and investors in these settings also place increasing weight on the breadth of perspective within senior finance teams. Experience across more than one sector or growth stage, and leadership teams that reflect the diversity of their employees and stakeholders, are often cited as contributing to more rounded risk judgements and more credible external narratives.

12. Reference frameworks observed in practice

In many of the organisations reflected in this report, boards and finance leaders have used simple frameworks to structure their thinking about finance. These are not formal methodologies, but recurring ways of looking at how finance is used and how it might need to evolve.

12.1 How organisations actually use finance

One pattern seen across businesses and investor-backed organisations is an internal view that distinguishes between:

- The ways finance is currently used in practice, such as reporting, compliance, cash management and ad hoc analysis
- Areas where leaders would like finance to be more involved, for example in earlier engagement on strategic options, scenarios or major commitments
- The changes in roles, processes or information that would be required to close the gap between the two

Where this kind of view has been made explicit, it has often provided a shared reference point for discussions about team structure, systems and the senior finance agenda.

12.2 The CFO agenda across five domains

Another recurring framework mirrors the five domains described earlier in the report:

- Control and assurance
- Finance operations
- Planning and analysis
- Performance and resource allocation
- Capital and external stakeholders

Boards and CFOs in a number of organisations have used this lens to:

- Describe how the senior finance role is currently weighted
- Compare that weighting with the demands arising from the next stages of growth or funding
- Consider how adjustments in the wider finance team might enable a different balance

This has been particularly evident in businesses where the CFO role has expanded rapidly and there is interest in ensuring that time is spent on areas most critical to the organisation's trajectory.

12.3 Typical configurations of senior finance responsibilities

A further framework observed in practice maps responsibilities across the four senior roles that appear frequently:

- Controller or Head of Finance
- FP&A lead
- Finance Director or similar
- Chief Financial Officer

Organisations have used variations of this map to:

- Identify where responsibilities are heavily concentrated in one role
- Check for areas where no one has clear ownership
- Explore options for evolving roles over time, for example by strengthening the Controller position or formalising FP&A

In some businesses, this approach has supported orderly transitions from early-stage structures to senior finance benches more suited to investor involvement and increased complexity.

12.4 Board and finance interaction patterns in businesses with investors

Boards and finance leaders in investor-backed businesses have also described informal frameworks for thinking about their interaction. These often focus on:

- The flow of information: what is provided routinely, what is highlighted and how stable the formats are
- The nature of conversations: whether board time is largely spent on past results, emerging issues or future choices
- The degree of mutual support: how the board contributes to the development of finance, and how finance supports board responsibilities

Where these elements are considered together, some organisations have found it easier to adjust board packs, agendas and expectations in ways that improve both governance and the experience of finance.

12.5 One-page views of capital structure and headroom used by boards

Finally, in organisations with more complex funding mixes, a number of boards and CFOs have made use of concise summaries of capital structure that show, on a single page:

- The main funding components, their size and key terms
- The profile of maturities and covenant thresholds
- Current and projected headroom under a small number of scenarios

These summaries are often used to support discussions about risk, timing of funding decisions and the feasibility of different strategic options. In responsible businesses, they have also provided a way of considering how funding arrangements align with longer-term commitments and ambitions.

The frameworks outlined in this chapter do not prescribe particular answers. They provide shared ways of looking at finance that appear to have helped organisations compare options and understand the implications of different choices.

13. Final observations

Across the businesses and investor-backed organisations reflected in this report, finance has played a central role in how impact and growth have been pursued.

Several closing observations stand out.

13.1 How responsible businesses are reconciling impact, growth and capital through finance

For many of these organisations, finance has been one of the main places where aspirations for impact, expectations on growth and the realities of capital have been brought together.

CFOs and boards describe finance as:

- Making the financial implications of different paths explicit enough to be considered seriously
- Providing a view on resilience that extends beyond immediate metrics
- Supporting conversations with funders, employees and other stakeholders about how the organisation is choosing to proceed

In some cases, this has involved relatively straightforward trade-offs. In others, particularly where capital structures are more complex or external conditions have been difficult, finance has had to support decisions that were challenging for multiple groups of stakeholders.

13.2 Recurrent decision points on roles, team shape and external support

Looking across the cases, certain decision points around finance recur:

- Whether the current senior finance role matches the level of external exposure, complexity and capital involved
- How responsibilities should be distributed between Controller, FP&A, Finance Director and CFO positions
- When to deepen the wider finance team, and in which areas, given the scale and reversibility of decisions being taken
- How far existing systems and data structures support the quality and pace of analysis now expected
- How explicitly succession and bench strength in finance are being managed, particularly for CFO and Controller roles, so that key dependencies do not rest on a single individual.

In many organisations, these decisions have been made gradually, often prompted by specific events. Where they have been approached with a clear view of the organisation's direction, leaders have typically reported a greater sense of alignment between finance and the demands placed upon it. Several organisations noted that making succession in finance more deliberate has been read positively by investors and lenders, as it reduces perceived key-person risk in a critical function.

13.3 Where specialist partners are most often engaged on senior finance leadership

Finally, the organisations behind this report have, at various points, chosen to work with external partners in relation to finance. This has most often occurred when:

- Redefining the CFO role ahead of, or following, significant funding events or changes in ownership
- Considering the shape of the senior finance bench needed for the next three to five years
- Undertaking searches or successions for senior finance positions, particularly in businesses and investor-backed settings where both financial and wider commitments are in view

Specialist partners with experience in senior finance leadership for responsible businesses and similar organisations have been used to help interpret patterns like those described here, and to translate them into specific roles and appointments.

The observations in this report are drawn from the accumulated experience of responsible businesses and related organisations that have already travelled some distance along the path of growth, impact and capital. They are offered as context and reference for leaders considering how to shape finance for the stages still to come.

About this report

Scope and cohort

This report focuses on responsible businesses and organisations with similar characteristics that have moved beyond start-up conditions into sustained growth. Typically:

- Finance is a distinct function rather than a single role.
- Leadership teams report to a board with at least some independent members.
- External capital is present or actively being considered.

Within that, it draws mainly on three overlapping groups: businesses with recognised responsible business credentials that have grown in scale and complexity; purpose-driven organisations backed by investors; and organisations on a responsible business or similar journey that already operate to comparable governance and stakeholder standards. These organisations combine growth ambitions, a wider set of stakeholders than shareholders alone, and an explicit recognition that finance sits at the point where those ambitions and commitments meet. Early-stage ventures and very large listed groups sit outside the core scope, except where their experience helps to illustrate patterns also visible in responsible businesses at scale.

How insights were gathered and synthesised

The material reflects direct experience and repeated themes across multiple organisations, rather than a single formal study. Sources include:

- Work with CFOs and senior finance leaders in responsible, investor-backed and high-growth organisations
- Board and investor perspectives on how finance is interpreted when decisions are made about support, risk and value.
- Search and succession work in senior finance, including situations where roles are being redefined around growth, capital or governance events.

Across these situations, certain features recur often enough to be treated as patterns rather than anecdotes, such as the point at which finance stops feeling like a back office service and starts to influence which options are realistically available; the way the CFO role is pulled between control, operations, planning, performance and capital; the signals boards, lenders and investors take from how finance is organised and how information is presented; and the kinds of adjustments to roles and teams that help organisations cope with increased complexity and scrutiny. The report organises these patterns around the questions leadership teams most often face: how finance is evolving, how senior roles are defined, how boards and funders interpret what they see, where strain tends to arise, and what is changing in the profile of senior finance leaders.

Philanthrope's vantage point on senior finance leadership

Philanthrope works with organisations that care about both performance and impact, with a particular focus on responsible businesses and purpose-driven organisations that either are, or are likely to become, backed by investors. Much of this work centres on senior finance leadership, including CFO, Finance Director and related roles.

Our vantage point comes from supporting boards, founders and chief executives as they clarify what they need from finance for the next stage, define senior finance roles and appoint or develop leaders to fill them, often in the context of growth capital, private equity ownership, more structured debt or preparation for funding events and exits. In practice, this involves interpreting how growth, capital structures and wider commitments are changing the demands on senior finance roles, helping organisations decide how responsibilities should be shared between CFOs, Controllers, FP&A leaders and Finance Directors, and advising on appointments where responsible business standards, investor expectations and organisational culture all matter. The observations in this report reflect patterns seen across that work with businesses and investor-backed organisations, alongside the perspectives of the CFOs, boards and investors involved.

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