

BUSINESS FINANCE

WHEN "IT WORKS" STOPS WORKING

A lot of businesses get off to a good start for the right reasons. A strong product. A needed service. A different approach. Sometimes it is the owner. Their personality. Their relationships. Sometimes it is timing. Right place, right time. However it happens, the business works. On the back end, it is a different story.

THE RISE OF DIY FINANCE

Most businesses start small. They think small. Not because they lack ambition, but because they are trying to protect the little cash they have. So they handle finance themselves. This is what I call DIY finance. If I have QuickBooks, why do I need a finance professional? The system can do it for me. Over time, they start to rely on it more than they should. Then they get comfortable. The business grows. It could support more investment in finance, such as bringing someone in, but the little engine they built, the one that got them here, gets left alone. Because it works. Or so they think.



**Jeffrey
Solomon**
CFO On The Go
Jeff@CFOontheGo.biz
(737) 314-0060
www.CFOontheGo.biz

WHEN TIMING BREAKS THE PLAN

I met a business owner last year who ran into a cash flow problem. His company handled software implementations. A few large projects made up most of the revenue. One of those projects got behind. Not one big issue. A series of smaller ones. But the result was the same. Payments expected in June did not come in until November. That gap matters.

WHY THE SYSTEM DID NOT CATCH IT

He was using QuickBooks Online to project cash flow. Like a lot of owners, he was handling it himself. The challenge is QuickBooks only knows what you put into it. His operations lead was booking all of the invoices for a project at the beginning, based on the expected timeline, instead of booking them throughout the project as milestones were reached. QuickBooks took those inputs and projected cash flow based on them. A 15% progress invoice scheduled two months out was assumed to generate cash at that time. When things changed in the real world, QuickBooks was still projecting that cash would be there.

But it was not.

WHEN REPORTS AND REALITY SEPARATE

The system was doing exactly what it was told to do, but no one was questioning whether those inputs reflected reality. So the reports said one thing. Reality said something else. By the time it became obvious, it was already a problem. Cash

dropped. He had to put money into the business. He had to borrow. All the things you do not want to be doing when the business looks like it is doing well. This was not a revenue problem. It was a visibility problem.

WHY THIS HAPPENS MORE THAN PEOPLE THINK

The numbers were there. The reports were there. But no one was digging into how those numbers were being built or what they actually meant. QuickBooks was not wrong. It was doing exactly what it was told to do. The issue was relying on the output without understanding the inputs. This is where businesses get into trouble. Not because they do not have financial information. Most do. It is because they do not fully understand what they are looking at. They trust the system. They trust the reports. They assume the numbers will tell them when something is off. They usually do not.

WHERE FINANCIAL LEADERSHIP SHOWS UP

Financial leadership shows up before this point, not after. The question is not whether you have financials. The question is whether you understand them well enough to know when they are starting to drift from reality. Because by the time it is obvious, the opportunity for a quick fix has passed you by.

Jeff Solomon is a CFO with more than 25 years of experience helping CEOs and Boards strengthen financial decision-making and organizational discipline. He works with leadership teams to go beyond reporting, focusing on how financial information is built, interpreted, and used to guide decisions. His approach emphasizes challenging assumptions and improving visibility so leaders can see issues early and act with clarity.

