LOS ANGELES BUSINESS JOURNAL CFO 2024 AWARDS

JOIN US FOR THE AWARDS

THURSDAY, SEPTEMBER 26

The Biltmore Los Angeles | 6:00 - 8:30PM

Register at labusinessjournal.com/events/2024cfoawards

DIAMOND SPONSORS

Cal CPA | FIFTH THIRD | GCX | MarshMcLennan Agency | RSM

PLATINUM SPONSORS

BMO | Conexus CFO, IT, & HR Talent Solutions | CSUN NAZARIAN COLLEGE OF BUSINESS & ECONOMICS | pwc | withum ADVISORY TAX AUDIT

GOLD SPONSORS

Astrana Health | Banc of California | Century Group | CFGI LLC | Ernst & Young | FEI | Grant Thornton
Inter-Con Security | Keck Medicine of USC | Los Angeles Football Club | Phonexa | PIH Health | PNC Bank

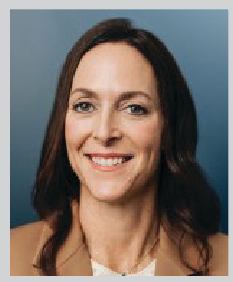
LOS ANGELES BUSINESS JOURNAL CFO 2024 AWARDS

2024 NOMINEES

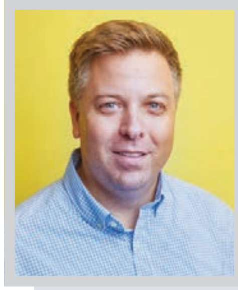
NADIM ABI MALHAB
CFO
Karl Storz Endoscopy-America, Inc.

STEVE ALEMAN
Chief Financial Officer
Prime Healthcare

CHRIS ALLEN
Chief Financial Officer
Keck Medicine of USC



ILENE ANDERS
Chief Financial Officer
Alliant Insurance



DEREK ANDERSEN
Chief Financial Officer
Snap Inc.

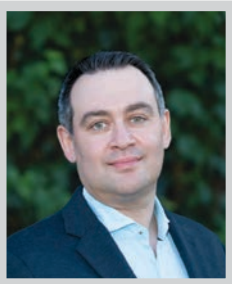
JON ARIMA
CFO
Escalon Services

STEWART ARMSTRONG
Chief Financial Officer
Mission Cloud

DANE BARATA
Chief Financial Officer
Team Rubicon

CHAD BECKER
CFO / CRO
Be Structured Technology Group

SEAN BOGUE
Chief Financial Officer
(formerly Careismatic Brands)



GENE BOYARSKY
CFO
Ideal Living

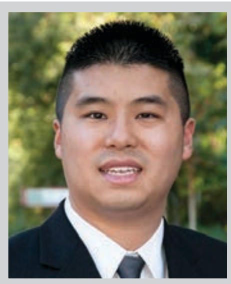
ALEX CHANG
COO
Hyphenate Media Group

VANCE CHANG
Chief Financial Officer
Dine Brands Global

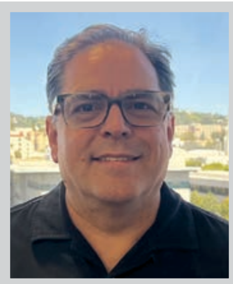
ERIC CHEN
CFO
Meissner Corporation

ERIC CHEN
Chief Financial Officer
Pacific Production Services LLC

LOUISA CHEN
CFO
The Springhill Company



ERIC CHIN
CFO
Akido Labs



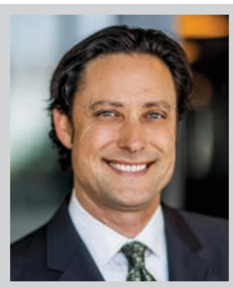
MICHAEL CORNFORTH
CFO
NKSFB, LLC

HEIDI CRANE
CFO & COO
FightCamp

CHRISTOPHER CRAWLEY
Chief Financial Officer
Hofman Hospitality Group

DENISE CRAYNE
CFO
Music Reports Inc.

JASON CRAYNE
CFO
Criteria



SEAN CUNNINGHAM
Chief Financial Officer
Integrated Capital Management

KELLAN DAHLQUIST
CFO
72andSunny

ROBERT DIKA
CFO
Primex Int'l Trading Corp

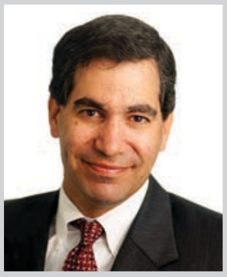
THE POWER OF BEING UNDERSTOOD
ASSURANCE | TAX | CONSULTING

RSM

RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax and consulting firms. Visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International.

LOS ANGELES BUSINESS JOURNAL CFO 2024 AWARDS

2024 NOMINEES



ALAN EDRICK
CFO
OSI Systems

DAMIAN GANCMAN
CFO / COO
Cityview

KRISTOPHER GARCIA
Vice President, Accounting; Corporate Controller
Dermavant Sciences

MARA GARCIA
CFO
Phonexa

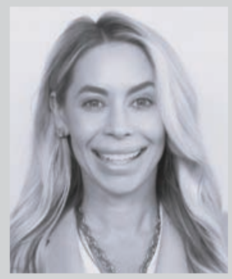
MATTHEW GETTY
CFO / COO
Poms & Associates Insurance Brokers, LLC

GREG GILBERT
CFO
The Lance Collins' Companies (ZenWTR | MyMuse Organic Casa Azul Spirits | Beyond Plastic|Core Foods | Recover180)

MARC GOLDBERG
CFO
Partner Engineering and Science, Inc.

JOSHUA GREEN
CFO
Survios, Inc.

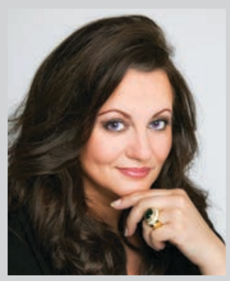
JOSH HARDING
CFO
AuditBoard



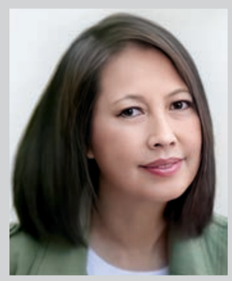
APRIL HOULEHAN
CFO
Murad

PEGGY HSIEH
Vice President, Finance and Accounting
The Broad Foundation, Broad Family Office

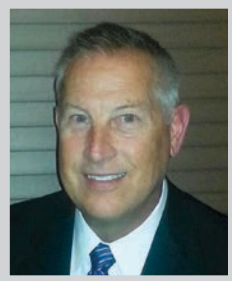
STACY JOHNS
COO and CFO
Los Angeles Football Club (LAFC)



WAFA KANAN
President and CFO
Unique Image, Inc.



ANN KE
Chief of Finances / Chief of Operations
Cancer and Blood Specialty Clinic



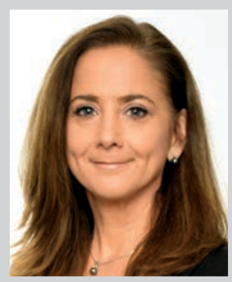
STEVEN KLINGER
CFO
Scosche Industries, Inc.

SANDY KNELL
CFO
The Agency

STEPHANIE KRAFT
SVP of Finance
Zefr, Inc.

LUCIA KUNG
Chief Financial Officer
Mental Health America of Los Angeles

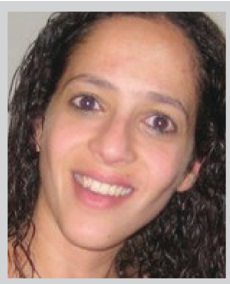
LUBI KUTUA
CFO
Beyond Meat



ERIN LAFFERTY
CFO
Reveleer

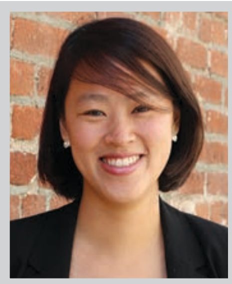
ROB LEFF
CFO
Nativo

DANIEL LEVIN
Managing Director and Chief Financial Officer
Oaktree Capital Management, L.P.



ORLY LEVY
CFO
Kadima Day School

SHARON LIU
SVP Controller, Universal Studio Group
NBC Universal Media, LLC



JENNIFER LOO
Chief Financial Officer
Tala

Fifth Third Bank congratulates the nominees of the LABJ 2024 CFO Awards!

Your business is unique. That's why we design custom solutions tailored to your specific goals and objectives. You define success, and Fifth Third can help you get there.

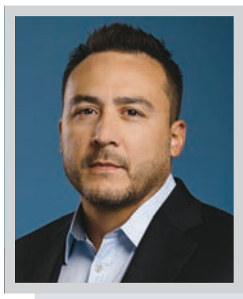
Contact:
Elsa R. Burton
Los Angeles Regional Manager
Elsa.Burton@53.com
818.259.3108

FIFTH THIRD

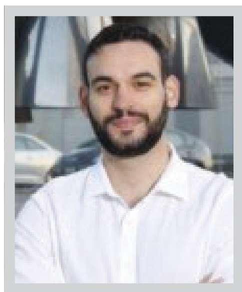
Fifth Third Bank, National Association. Member FDIC.

Los Angeles Business Journal CFO 2024 AWARDS

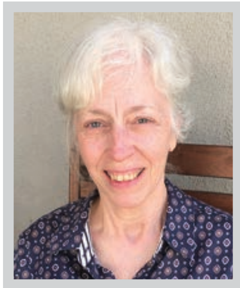
2024 NOMINEES



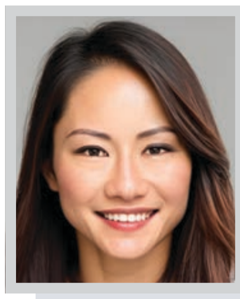
MOISES MAGANA
CFO
My Code



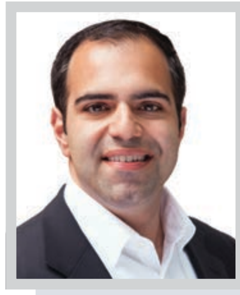
DAVE MALCHER
Head of Finance
Hadrian



LAURA MALM
CFO
Southwest Industrial Electric



NICOLE MALOZI
CFO
BeautyCounter



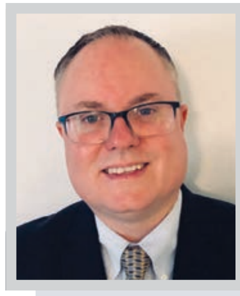
JOSH MAREHBIAN
CFO
FabFitFun

PAUL MENDEZ
Vice President Finance
FabFitFun

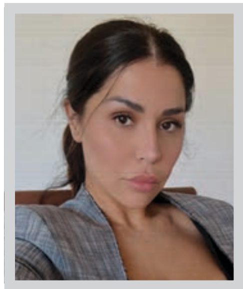
MAEESHA MERCHANT
Executive Vice President; Chief Financial and Operating Officer
The Colburn School

RYAN MEYER
CFO / COO
Hammit, Inc.

TRACEY MITCHEL-LAI
CFO
Biscuit



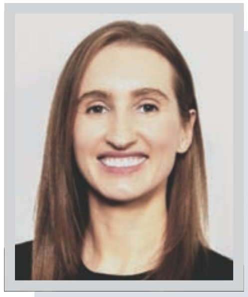
EUGENE MOORCROFT
CFO
Servicon Systems, Inc.



ASAL NAZI
Chief Financial Officer
Cult Gaia

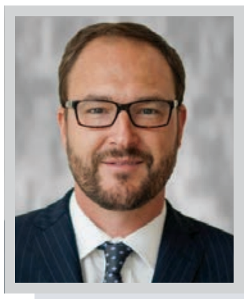
HUNTER PALETSAS
Global Chief Financial Officer
Motion Picture Association

BRIAN PARISI
CFO
Kartoon Studios

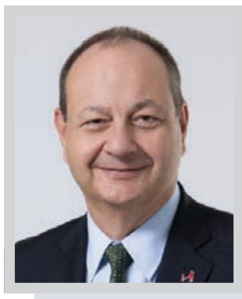


STASY PASTERICK
CFO
Universal Hydrogen

RAJ PATEL
Chief Financial Officer
Electronic Vehicle Charging Solutions (EVCS)

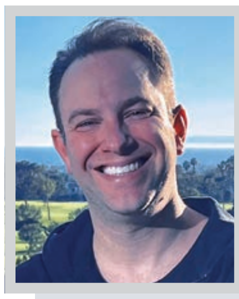


DAVID SACHS
CFO
Immunitybio



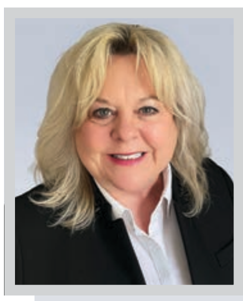
RON SANTAROSA
Chief Financial Officer
Hanmi Bank

DENNIS SANTIAGO
CFO
New Community Investments

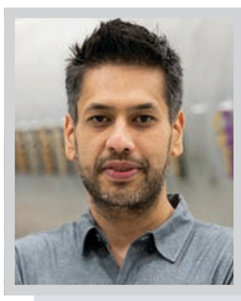


STEVEN SCHNEIDERMAN
VP of Finance
STIIIZY

BERNADETTA SCHOLZ
Chief Financial Officer
The Liberty Company Insurance Brokers



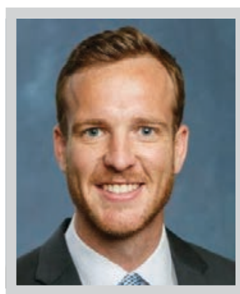
SHELLY SCHORER
Chief Financial Officer, California Region
CommonSpirit Health



MUHAMMAD "MO" SHAHZAD
Chief Financial Officer and President
Relativity Space

VIDHYASHANKARAN (VID) SHIVARAMAN
Chief Financial Officer
PIH Health

CAMERON STEWART
CFO
West Coast Fitness LLC



JOE STILPHEN
CFO
Reel Paper

Our members aren't just mathematicians—they're the architects of understanding. Curiosity drives us. We challenge traditions, forging new paths. Advocates of positive change, we uncover hidden truths in numbers, spotting what's invisible to others. We value life beyond the desk and believe in charting your course upward. The future of accounting is anything but "by the numbers."

So if you think outside the ledger, come join us. We're the new CalCPA.

The members club for California's CPAs and financial professionals.

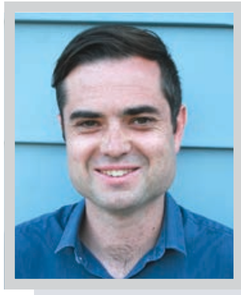
Cal CPA

calcpa.org

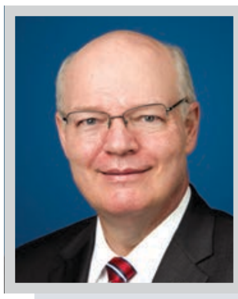
LOS ANGELES BUSINESS JOURNAL
CFO
2024 AWARDS

2024 NOMINEES

MARC SUIDAN
CFO
Backblaze
(formerly Beachbody/BODi)

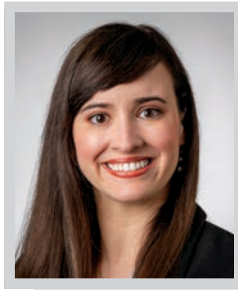


AARON SULLIVAN
CFO
LiveOne



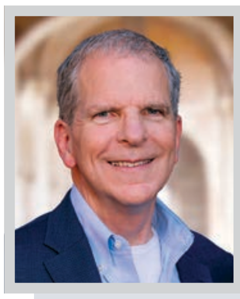
EDWARD SWALLOW
Senior Vice President; Chief Operating Officer; Chief Financial Officer/Treasurer
The Aerospace Corporation

BRANDON TAGA
Global Head of Finance, Property Management & Valuations
CBRE

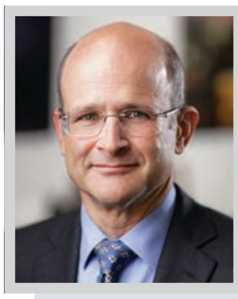


NATALIE TESTA
Vice President, Finance
JADU AR Inc.

CHERRIE TEVES
CFO
Princess Polly

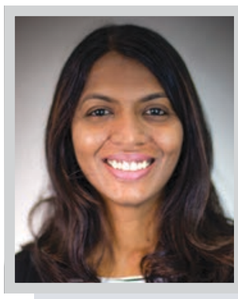


BRYAN THOMPSON
Chief Financial Officer
Arixa Capital



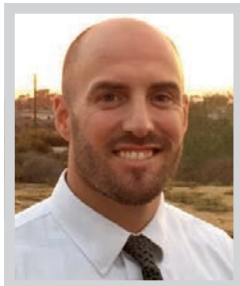
CHARLES THUSS
CFO
Inter-Con Security

JASON TON
CFO & Chief Business Officer
100 Thieves



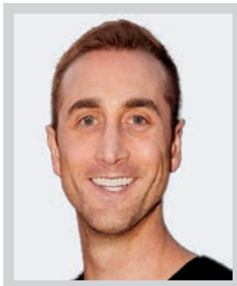
RAMYA VELUSAMY
CFO
Bloom Nutrition LLC

JOHN VONG
Chief Accounting Officer
Astrana Health Inc.

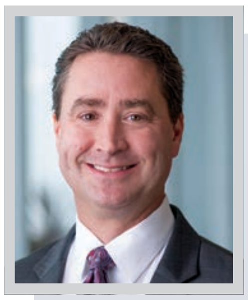


ROBERT WARD
CFO
Fry Reglet

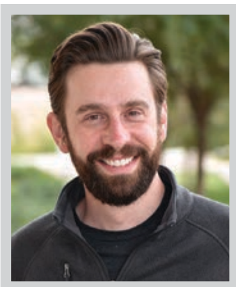
JUYUAN WEI
CFO
Westwood Financial



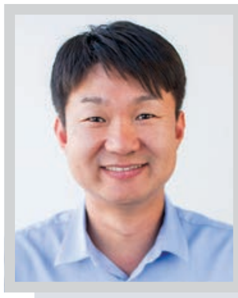
JORDAN WEITZEN
Chief Financial Officer
Pacvue, Inc.



DAVID M. WRIGLEY
Executive Vice President; Chief Financial Officer
Cedars-Sinai Medical Center



TIMOTHY YARBROUGH
CFO
ZipRecruiter



JOHN YOO
CFO
Evite

CONGRATULATIONS TO THE LOS ANGELES BUSINESS JOURNAL'S

2024 CFO NOMINEES

Congratulations to Los Angeles' CFO of the Year Award Winners and Finalists!

Your contributions to the growth of your companies, leadership efforts and community involvement help make our city great.

MMA is a proud sponsor of the LABJ CFO of the Year Awards.

MarshMMA.com

MarshMcLennan Agency

Your future is limitless.℠

Business Insurance | Employee Health & Benefits | Executive Benefits | Private Client Services | Retirement Services | Risk Management | Surety

d/b/a in California as Marsh & McLennan Insurance Agency LLC; CA Insurance Lic: 0H18131. Copyright © 2024 Marsh & McLennan Agency LLC. All rights reserved. MarshMMA.com

Los Angeles Business Journal CFO 2024 AWARDS

Hedging Strategies for Managing Price Volatility with Metals, Materials and Construction

A smart approach to reduce risk and enhance financial forecasting

With market volatility increasing for a whole range of commodities, a sudden shift in prices can upset a company's best planning. For many firms, financial hedging provides a solution by offering more price predictability, for budgeting and forecasting, and reduces risk so that they can focus on their core operations rather than speculate on factors outside their expertise.

"It feels like every week, every month, every year, that some sort of disruption takes place that causes big spikes in commodity price volatility," said Fifth Third Bank's Justin Brauer, group head of metals, materials & construction. "And even if it's one where we haven't seen a big spike in volatility, businesses that have exposure to any commodity know that there's susceptibility around a potential spike."

There are a wide range of metals, materials, and minerals whose future price can be hedged. They include oil, unleaded gasoline, jet fuel, copper, aluminum, zinc, and tin as well as scrap metal. In addition, companies that import commodities often hedge the exchange rates of the US dollar against foreign currencies as well as hedging future interest rates.

USING FUTURES

The simplest and cheapest hedges are in the futures market—contracts to buffer financial and supply-price volatility in a specific time period. Futures contracts require the buyer or seller to purchase or sell the commodity at an agreed price at an agreed time. A downside of these derivatives is that they trade on public exchanges and require the posting of collateral to ensure the deal goes through, which can tie up a company's capital and can be especially costly with high interest rates.

Instead, the firm can choose to have a financial partner arrange a "forward" or "swap" derivative for a particular risk. These derivatives cushion against supply price shocks, spikes of interest rates, or currency values. Because the forward is arranged on a bank's balance sheet, there is typically no need for a company to post collateral with an exchange. In order to pay for the bank's balance sheet utilization, a small credit spread is built into the swap price.

Forwards are used by many companies to obtain reliable price stability in this era of increased volatility caused by disruptions such as hurricanes, technology advancements, and wars. For example, energy and scrap metal are experiencing price volatility due to geopolitical conflicts and supply chain disruptions, prompting companies to hedge these commodities to mitigate risk.

> 'Hedging is a way to manage the risk and create more certainty, which allows businesses to budget and forecast more accurately.'
>
> ROB YOKEL
> Fifth Third Bank

HEDGING MAKES FORECASTING EASIER

"Hedging is a way to manage the risk and create more certainty, which allows businesses to budget and forecast more accurately," said Fifth Third's Rob Yokel, director of commodity derivative sales, adding that it's important to understand that hedging tools aren't designed to save money or win any commodity bets. "The intent is to protect the underlying profitability of the business."

In some cases, a company's sales team may be able to obtain price escalators from its clients to take into account future increases in input costs. But when fixed-price contracts don't make such arrangements possible, or a company's fulfillment durations can't be synchronized with supply deals, a hedge can protect profit margins.

Companies tend to hedge in two principal ways: In order to offer their customers a fixed-price contract, they can use a swap that enables them to pass through the hedge on any increase or decrease on the underlying metal price. The other way a swap is frequently used is when a company knows its exposure and input needs and it wants to protect a certain percentage of margin against volatility.

LOCKING IN A FIXED PRICE IS THE GOAL

The certainty of the result is key not just to a public company's quarterly results, but to the ability of a middle-market firm to finance capital investments to sustain and expand a business.

Protecting margins is considered by many to be a company-wide management responsibility. Supply-chain, logistics, and sales teams should be part of the hedge discussions, not just the purchasing department and the finance team. These calls often require coordination.

A MINIMUM BENCHMARK FOR HEDGES

For effective corporate use of hedge contracts, a yearly spend of $1 million on a commodity is a good benchmark, said Brauer. "When it comes to trade execution, we don't have a minimum, and it's actually one of the key advantages of OTC derivatives versus futures." Diesel fuel, for example, would come in monthly lots of 42,000 gallons, but a hedge for that entire month might not always be needed. In contrast, a forward contract could be 54,000 gallons of diesel for one month, 37,000 gallons the next month, or much closer to any particular company's physical exposures.

Derivatives may seem complicated at first, but they are quite straightforward transactions.

"Once you understand how derivatives work, it's actually very simple," said Brauer. "There's no interruption to your physical practices, how you're currently purchasing your metals or your energy products, and there's portability, allowing you to work with multiple suppliers and not be tied to one physical supplier." Small companies often have a multistep internal approval process for purchases, which delays the settlement process, so the removal of operational challenges allows business to streamline their processes.

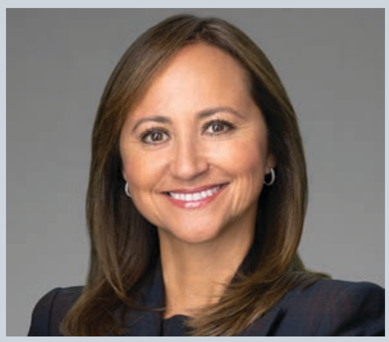
Because vendors could represent a potential credit risk if they suffer business distress, a derivative hedge backed by the bank's credit rating can protect the buyer of the commodity from suffering substantial losses.

ADJUSTING HEDGES OVER TIME

Firms can adjust hedges over longer periods, allowing flexibility to adapt to changing circumstances. A layered approach might hedge 75% of critical inputs for the first 12 months, 40% for the second year, and 25% for the third. Targets can be revisited monthly or quarterly as business visibility improves.

To construct tailored hedging coverage using derivatives, companies should leverage the expertise of specialists in the specific commodities a company is using for its processes. Fifth Third has a team dedicated to helping companies implement financial risk management solutions, providing businesses with a mechanism for predictability in a world that is unpredictable.

Learn more from Elsa Burton, Fifth Third Bank's Los Angeles regional manager, at Elsa.Burton@53.com, (818) 259-3108, or visit 53.com/Commercial.



DISCLOSURE
This content is for informational purposes only and may have been derived, with permission, from a third party. While we believe it to be accurate as of the date of publication, it does not constitute the rendering of legal, accounting, tax, or investment advice or other professional services by Fifth Third Bank, National Association or any of its subsidiaries or affiliates, and it is being provided without any warranty whatsoever. Please consult with appropriate professionals related to your individual circumstances. Deposit and credit products provided by Fifth Third Bank, National Association. Member FDIC.

Greg O'Connor
(213) 291-5882
goconnor@gcxworx.com

Lauren Nielsen
(424) 212-2004
lnielsen@gcxworx.com

LOS ANGELES BUSINESS JOURNAL
CFO
2024 AWARDS

A Transforming Profession

By DENISE LeDUC FROEMMING, CPA, CAE, MBA

Gone are the days when CPAs were confined to ledgers and balance sheets. The profession has moved from simply tracking debits and credits to sustainability to cloud accounting, data analytics, blockchain and AI. And CPAs are being turned to more often to provide strategic knowledge and direction on a growing number of topics.

Adapting to — and anticipating — change means learning new things or learning to do things differently. As management consultant Peter Drucker said, "The only skill that will be important in the 21st century is the skill of learning new skills. Everything else will become obsolete over time."

Historically, people were generally hired based on a skill they possessed. The more experience they had in that skill, the more valuable they were seen. Today, while specialization remains relevant and valuable, more and more companies and clients are looking for what's known as "T-shaped" professionals: People who have a deep expertise in an area, as well as a broad base of supporting knowledge/skills.

As these tech advancements reshape the profession and client expectations evolve, CPAs stand at a critical crossroads: Do we tread the familiar or do we transform into strategic partners guiding business decisions, leveraging financial insights to inform company direction and playing a pivotal role in long-term planning?

'A strategic CPA recognizes that staying relevant means staying informed and expanding their knowledge beyond traditional finance. We're talking data analytics, risk management or even behavioral economics. This lifelong learning keeps CPAs ahead of the curve—and allows them to point out that upcoming curve to clients to help them prepare for what lies ahead.'

Safe to say that only one of those paths propels CPAs, their clients and businesses they serve, and the entire profession.

Which begs the question: What does this different mindset entail? It starts with accepting what is, adapting to the new, continuous learning, and taking a 360-view.

In a world that is spinning faster than ever with tech advancements and regulatory shifts, and market trends that constantly reshape the landscape, a 21st-century CPA is a sense-maker, seeing what others can't and helping their clients reach new heights.

A strategic CPA recognizes that staying relevant means staying informed and expanding their knowledge beyond traditional finance. We're talking data analytics, risk management or even behavioral economics. This lifelong learning keeps CPAs ahead of the curve — and allows them to point out that upcoming curve to clients to help them prepare for what lies ahead.

Which leads us to the nominees for this year's CFO Awards. This year's list of nominees is an impressive group, and we are proud to call many of them our members. And most, if not all, display a mindset that understands financial data isn't isolated; it's interconnected with various facets of a business — operations, marketing, human resources and more — and allows them to identify opportunities and challenges that might not jump off a balance sheet.

Instead of being viewed as a mere service provider, CPAs are trusted partners in decision-making.

The journey to strategic adviser might seem challenging, but it aligns with the changing demands of the business world. And when you think about it, everyone needs accountants—from Fortune 500 companies to the local dry cleaners. Consider, too, that as the skill set of CPAs grows wider and deeper, so do career options. Areas such as IT consulting, artificial intelligence, forensics, information systems, cryptocurrency and others are now part of the CPA's ecosystem — either directly or indirectly.

Those who grasp this opportunity enhance their professional profiles and play a pivotal role in shaping the clients and organizations they serve.

The role of CPA is undergoing a transformation, compelling professionals to shed their conventional image and embrace a strategic adviser mindset.

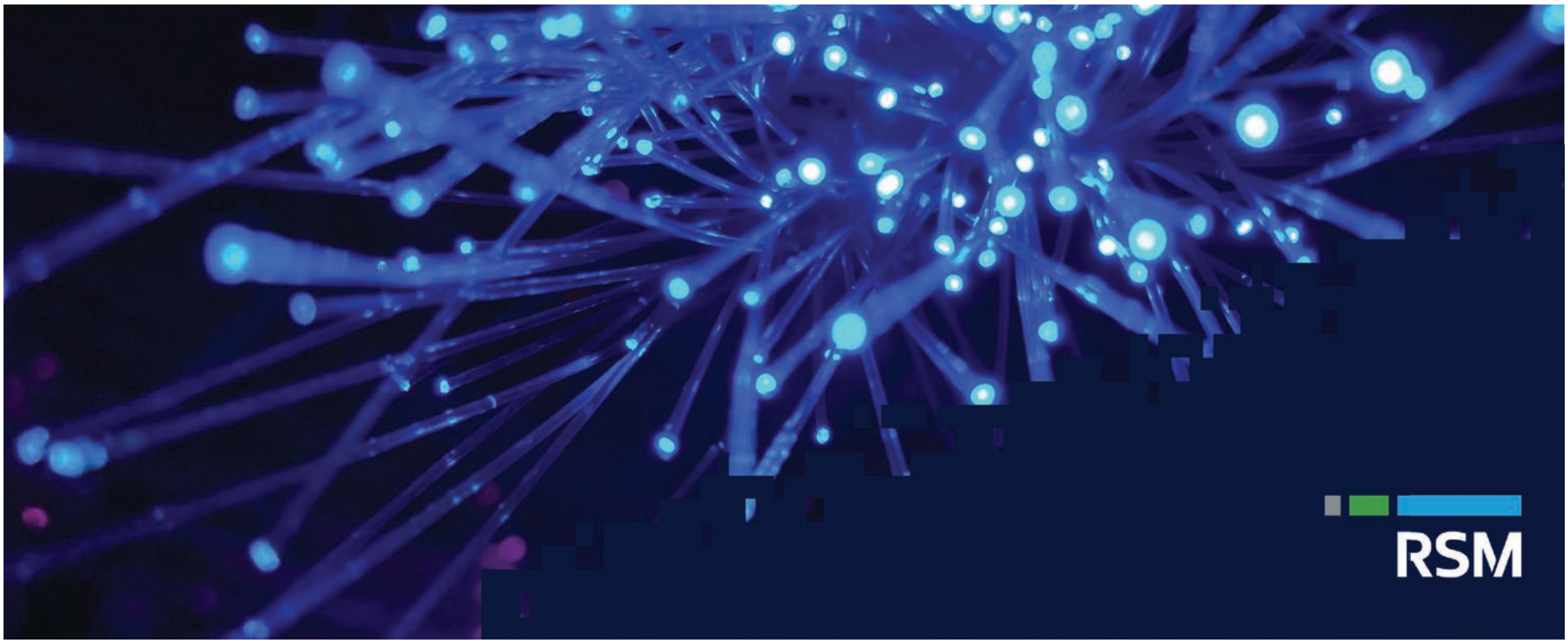
Yet while the career paths of those on this list are varied, there's an underlying function that—while maybe an oversimplification — still holds true and is consistent: The value a CPA brings is in helping companies, individuals and organizations make sense of financial data. And not just "making sense" when it comes to making sure the numbers bottom out, debits equal credits, etc. But use that data and their knowledge to help people, companies and organizations make wise decisions with their money to help them succeed.

That's not something you often find in CPA career brochures, but it's key to the CPA profession and a factor that deserves to be boasted about.

Denise LeDuc Froemming, CPA, CAE, MBA is president & CEO of CalCPA and CalCPA Education Foundation. Learn more at calcpa.org.


withum
Withum Plus You
More Time plus Savings. Focus on growth while we handle the complexities of your financial operations.
POWER IN THE PLUS™
withum.com/oasys

Los Angeles Business Journal CFO 2024 AWARDS



Inspire an Evolution: Building and Executing a Strategic Finance Vision

How a data-driven CFO can drive value from the back office

During the pandemic, the chief financial officer's office has been integral to business survival—holding the line on costs amid increasingly tightening margins. Faced with cash flow and liquidity challenges, CFOs in private equity portfolio companies became laser-focused on tightening their belts while helping to pivot the business to navigate the rapidly changing economic landscape.

LESS DIGITAL TRANSFORMATION, MORE BUSINESS-LED TECHNOLOGY ENABLEMENT

For private equity-backed CFOs, managing the budget is now considered table stakes. Today's CFO is also expected to develop a clear business strategy, often with an emphasis on technology transformation. Never an easy process, pandemic challenges such as supply chain volatility and waning demand elevated the importance of a well-defined strategy to lay the path for unlocking immediate and long-term value. Technology is integral to the process, said Gavin Backos, a principal in the technology and management consulting practice at RSM US, but it should not precede the development of a well-defined data architecture for the finance function.

"Developing a clearly defined plan first is essential for growth," said Backos, who also leads the firm's North American CFO advisory practice. "Only then should a CFO choose a technology solution and deploy it to its full potential."

Growth-minded CFOs need to think beyond the numbers to understand the enterprise value of the internal and external data they are collecting and its importance to strategic decision-making. Data-driven CFOs are prepared to share these financial insights with key stakeholders, including management, the board and private equity investors—even vendors and customers.

"There's an opportunity to think holistically about delivering financial results," said Shari Franklin, management consulting director at RSM US. Publishing the financials and key performance measures is the end product, but understanding the performance measurements needs to happen first."

As a former CFO of a PE-backed medical association, Franklin has learned that insights on operational and financial performance are often buried in the back office. Unearthing them sometimes calls for an operational assessment to define areas for process improvement.

DEMONSTRATING SPEED TO VALUE THROUGH QUICK WINS

Speed and agility are essential for meeting the demands of PE investors. The predictive insights gleaned from the back office can help identify business improvements that can be implemented quickly to drive immediate and long-term growth across the organization, improve efficiencies and enhance earnings. "These aren't big expensive projects, but more often midrange investments that are high-impact and low-cost," Backos said. Relying on trial and error to get at answers doesn't necessarily get the job done. Particularly for companies new to PE, the finance function may require some significant recalibrating.

"Never lose sight of the PE's value proposition, which is all-around the numbers," said Franklin. "As the CFO, you have to get at the information that allows you to analyze and measure, and do it quickly. Having trusted, reliable data is the most important thing."

Knowing what solutions will quickly yield measurable results is a specialized skill that takes development and practice, which the PE operating partners may not have in their ranks. Moreover, risks permeate throughout all financial processes and without an understanding of where these risks exist, portfolio companies are left vulnerable to outcomes that could affect the bottom line and potentially have external consequences. If resources aren't available to focus on these areas, portfolio company CFOs should consider bringing in an external advisor to help identify and prioritize initiatives.

FOCUSING ON RISK MANAGEMENT IS CRITICAL

As businesses continue to rely heavily on information technology systems daily and with the proliferation of digital transformation and automation, portfolio companies need to be increasingly diligent about protecting the enterprise against threats to the integrity, confidentiality, and availability of systems and data. By understanding the PE firm's risk profile and appetite, the CFO can design a risk program that strategically and affordably mitigates undesirable risks to prevent loss of time, increased costs and damaged reputation.

Cybersecurity remains a top concern for middle market companies that can be easy prey for attackers if they do not have appropriate preventative controls in place. Cyberthreat prevention used to fall solely on the shoulders of IT, but today the responsibility extends across the enterprise. Security measures should be developed specifically for the finance function. A cyberattack can be devastating if a company cannot financially recover from an incident. A solid approach is to conduct a risk assessment to identify areas of vulnerability and attack issues before they evolve into a problem.

THE ROLE OF THE CFO WILL CONTINUE TO EXPAND

While CFOs must focus on the financial close and reporting processes, their ability to mine data and present it with trust in the numbers is priceless. They have an increased responsibility to help protect company data and enhance privacy and security. These are core fundamentals, which present ongoing challenges due to changes in innovation, industry, automation and other factors. Only by focusing on and continuously refreshing strategy can CFOs remain ahead of the curve.

RSM's technical experience, industry focus and leadership in the middle market uniquely position it to help portfolio companies navigate these challenges and drive results. RSM can help PE-backed CFOs unpack their business and operational issues and point them in the right direction to become more efficient, effective and profitable.

Gavin Backos is a principal and private equity consulting co-leader for RSM US LLP. In this role, he is responsible for leading strategy, go-to-market execution and integrated delivery across consulting to address the complex needs of M&A clients. Backos also serves on the management consulting leadership team responsible for setting strategic direction and driving transformational growth.

RSM is the leading provider of assurance, tax and consulting services for the middle market. The clients RSM serves are the engine of global commerce and economic growth, and RSM is focused on developing leading professionals and services to meet their evolving needs in today's ever-changing business landscape. RSM's purpose is to instill confidence in a world of change, empowering clients and people to realize their full potential.

For more middle market insights, visit rsmus.com/middle-market/mmbi.html.

Our Greater Los Angeles teams offer individuals and businesses access to deeper strategic guidance. We invest time in understanding and anticipating your needs and provide customized solutions for your business and personal goals. Whatever your needs, we have the resources to help propel you and your business forward.

Learn more at bmo.com.

Claudia Bodan
Regional Manager
BMO Commercial Bank
310-750-7389
claudia.bodan@bmo.com

Gene Ko
Managing Director
BMO Private Bank
626-362-0882
gene.ko@bmo.com

BMO

"BMO Wealth Management" is a brand name that refers to BMO Bank N.A. and certain of its affiliates that provide certain investment, investment advisory, trust, banking, and securities products and services. Investment products and services are: **NOT A DEPOSIT–NOT INSURED BY THE FDIC OR ANY FEDERAL GOVERNMENT AGENCY–NOT GUARANTEED BY ANY BANK–MAY LOSE VALUE.**

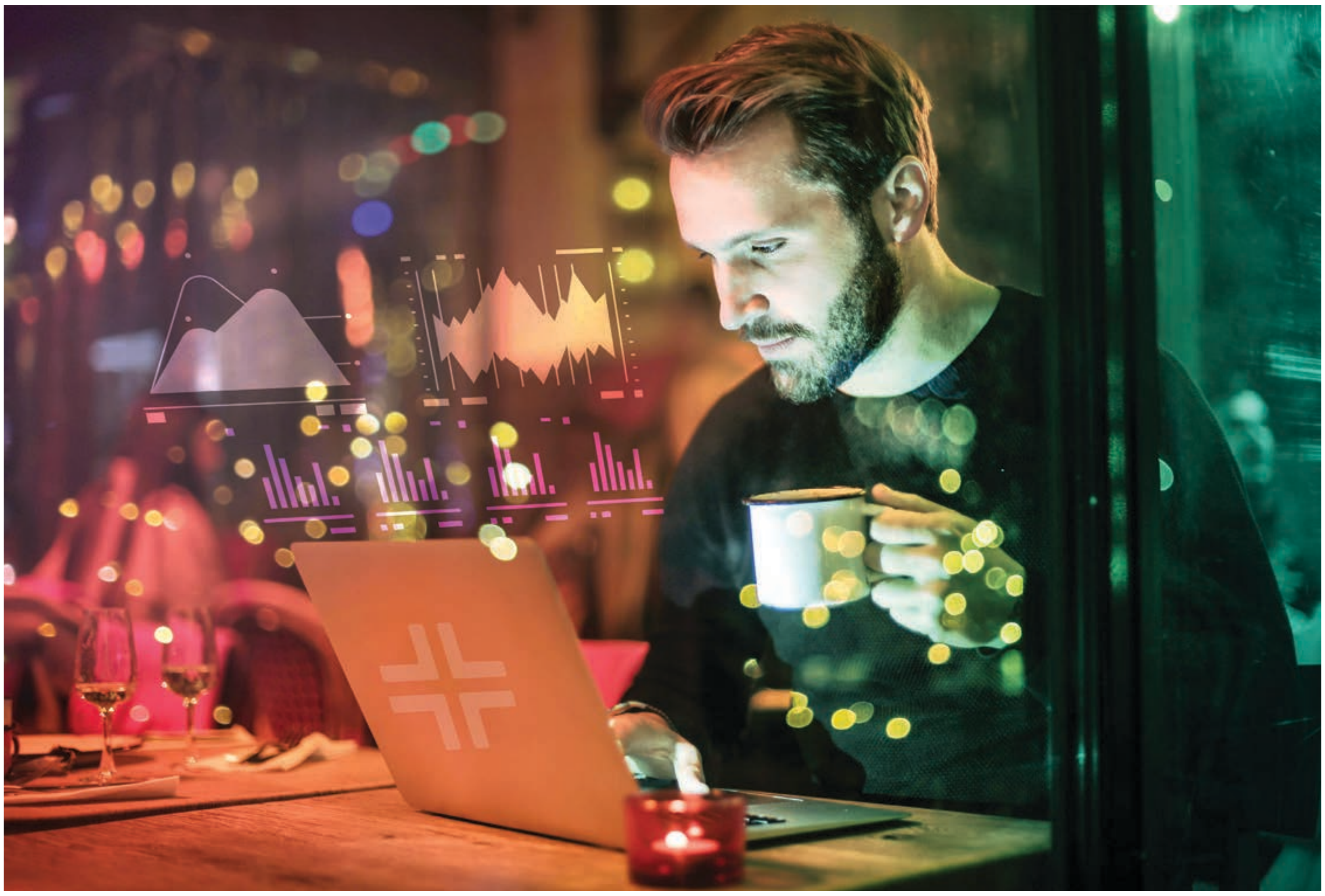
BMO Private Bank is a brand name used in the United States by BMO Bank N.A. Member FDIC. Not all products and services are available in every state and/or location.

Banking products are subject to approval and are provided in the United States by BMO Bank N.A. Member FDIC

LOS ANGELES BUSINESS JOURNAL CFO 2024 AWARDS

Does Outsourcing Your Finance Function Make Economic Sense?

By NINA CHMURA



Businesses are constantly under pressure to optimize operations and reduce costs in today's competitive environment. One area where organizations, of all sizes, are increasingly turning to is outsourcing their accounting and finance functions. This strategic approach offers a range of benefits that can significantly improve the bottom line, particularly for organizations looking to streamline processes, reduce overhead and access specialized financial expertise that may not be readily available in-house.

THE EFFICIENCY IMPERATIVE

Efficiency is a cornerstone of modern business strategy. With the increasing complexity of financial operations, managing these functions internally can become cumbersome and resource-intensive. By outsourcing these functions, businesses can leverage the expertise of specialized service providers well-versed in the latest financial technologies and best practices. This streamlines financial processes and frees up valuable time and resources that can be redirected toward core business activities.

Outsourcing also allows for automating routine tasks such as payroll processing, accounts payable and financial reporting. This reduces the risk of errors, ensures compliance with regulatory requirements and accelerates the financial close timeline. With a more efficient accounting and finance function, businesses can make quicker, data-driven decisions – a crucial capability in today's fast-paced market.

MAXIMIZING VALUE, REDUCING EXPENSES

One of the most compelling reasons for outsourcing is the potential for cost savings. Maintaining an in-house finance team can be expensive, particularly when considering salaries, benefits, recruiting, training and technology investments. For small to mid-sized businesses, these costs can be prohibitive.

Outsourced accounting offers a more flexible and scalable solution. Instead of bearing the total cost of an in-house team, businesses can access top-tier financial expertise on an as-needed basis. This model allows companies to scale their finance functions up or down based on their current needs without the long-term financial commitment of full-time staff.

Moreover, outsourcing providers benefit from economies of scale, which can translate into cost savings for their clients. By reducing overhead and operating costs, outsourcing enables businesses to allocate resources more effectively and invest in growth opportunities.

LEVERAGING EXPERT FINANCIAL KNOWLEDGE

Access to specialized expertise is essential for maintaining a competitive edge. However, recruiting and retaining top talent in areas such as tax planning, compliance and financial analysis can be challenging and costly.

Outsourcing provides businesses access to a team of experts who bring a wealth of experience and knowledge. These professionals stay current with industry trends, regulatory changes and emerging technologies, ensuring your business remains compliant and competitive.

It also allows businesses to tap into a broader talent pool than they might otherwise have access to. This can be particularly beneficial for companies operating in niche markets or industries with unique financial requirements. By leveraging the expertise of outsourcing providers, businesses can enhance their economic strategy and gain insights that drive better decision-making.

IS OUTSOURCING RIGHT FOR YOUR BUSINESS?

While the benefits of outsourcing are clear, it's essential to approach this decision strategically. Not every business will benefit equally from outsourcing and the decision should be based on a thorough assessment of your organization's specific needs and goals.

Key considerations include the complexity of your financial operations, the current state of your in-house finance team and your long-term business objectives. Outsourcing may be particularly advantageous for businesses experiencing rapid growth, undergoing a restructuring or facing resource constraints.

It's also essential to choose the right outsourcing partner. Look for providers with a proven track record, industry-specific expertise and a solid commitment to customer service. A good outsourcing partner will deliver cost savings and efficiency gains and become a trusted advisor who understands your business and its unique challenges.

Outsourcing your finance function can offer significant economic advantages – from cost savings to enhanced efficiency, and access to specialized expertise. By carefully considering your organization's needs and selecting the right outsourcing partner, you can position your business for long-term success in a competitive market.

Outsourcing accounting systems and services is emerging as a strategic solution that can deliver real value. Armed with the knowledge to make informed decisions, you can take the next step in optimizing your accounting and finance function to drive your business forward. Withum can help evaluate if outsourcing is right for your business and offer solutions tailored to meet your current needs and deliver your future goals. Learn more at withum.com/oasys

At Withum, we believe in the Power in the Plus by adding exponential value to our clients through industry expertise, tax and accounting services, and advisory solutions that will take businesses to the next level. Learn more at Withum.com/oasys.

Nina Chmura is a partner and Withum's market leader for outsourced accounting systems and services. She can be reached at Nchmura@withum.com.

Contact Chris Passmore, partner-in-charge of Withum's Los Angeles office, at cpassmore@withum.com.

pwc

When trust flows through your business, value can grow everywhere.

Learn more at www.pwc.com

© 2024 PwC. All rights reserved. PwC refers to the US member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details. This content is for general information purposes only, and should not be used as a substitute for consultation with professional advisors.

LOS ANGELES BUSINESS JOURNAL
CFO
2024 AWARDS

Technology Spending is Top of Mind as CFOs Wait for Rates to Drop

As CFOs plan for renewed spending following potential rate cuts, PNC's Inside the Minds of CFOs survey reveals that technology is the primary focus

By DAN TIMMONS and TOM THOMPSON

As the Federal Reserve continues to evaluate when the time will be right to lower interest rates, business leaders are already thinking ahead about the ways in which their spending may change once a rate cut occurs. For many, the logical allocation is clear: invest in technology.

In the recently conducted Inside the Minds of CFOs survey, PNC found that among 300 surveyed US CFOs, 75% cited technology as the area in which they were likely to increase spending following a drop in interest rates. The result tracks with an ongoing trend over the past few years. When asked how much their company's investment in technology had changed since 2020, 59% of surveyed CFOs said it had increased 1% to 25%, while 19% of respondents said it had increased between 26% and 50%. Only 2% of CFOs said their technology expenditure had decreased.

The likely upward trend in technology spending may have to do with the constraints in which companies have been operating in a higher-for-longer rate environment. As costs have increased, businesses have become increasingly aware of the importance of realizing efficiencies in order to manage expenses.

GROWING IMPORTANCE OF EFFICIENCY

Streamlining processes for purposes of cost savings was a clear priority for many of the surveyed CFOs. Among the participants who had invested in technology in the last 12 months, 65% said spending had gone into cloud computing, with another 57% indicating automation had been the focus.

CYBERSECURITY CONCERNS

Efficiency isn't the only concern that is front of mind for CFOs when it comes to evaluating technology spending. As the threat of fraud continues to proliferate, businesses are investing in ways to protect against ever more sophisticated attacks. According to the Inside the Minds of CFOs survey, 71% of surveyed CFOs said they had invested in cybersecurity/fraud protection during the last 12 months.

These kinds of protections often involve implementing safeguards to prevent various forms of payment fraud – an area where digitized treasury solutions may play an important role – as well as other forms of software that guard against ransomware attacks, which are on the rise for businesses across all sectors.

ARTIFICIAL INTELLIGENCE (AI)

AI is frequently in the conversation when it comes to technology that may be of growing interest to businesses. However, when polled in the survey, only 52% of CFOs said their companies had invested in AI/machine learning during the last 12 months. The reasons for this may have to do with a combination of more pressing priorities, along with a "wait and see" mentality as the technology continues to develop.

In the meantime, survey results would indicate that CFOs and businesses are more focused on a spending strategy that prioritizes their most urgent needs – which come down to finding ways to manage expense and maximize available resources.

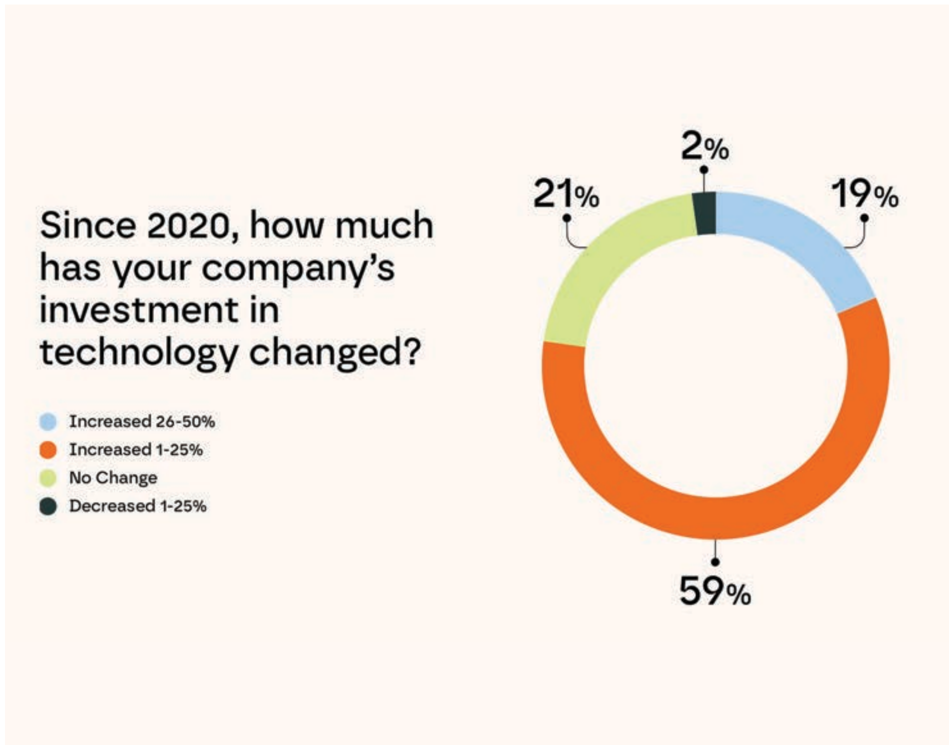
SURVEY METHODOLOGY

PNC Bank's Inside the Minds of CFOs survey featured responses from more than 300 CFOs at US-based companies. It was conducted by Bloomberg Media Studios immediately after the Fed meeting on June 12, 2024. The study included CFOs, ages 26+, employed full time as a CFO. Companies spanned 23 industries, with 61% of them having more than 1,000 employees and 31% with revenues of $1 billion or more. About 54% are publicly owned.

READY TO HELP

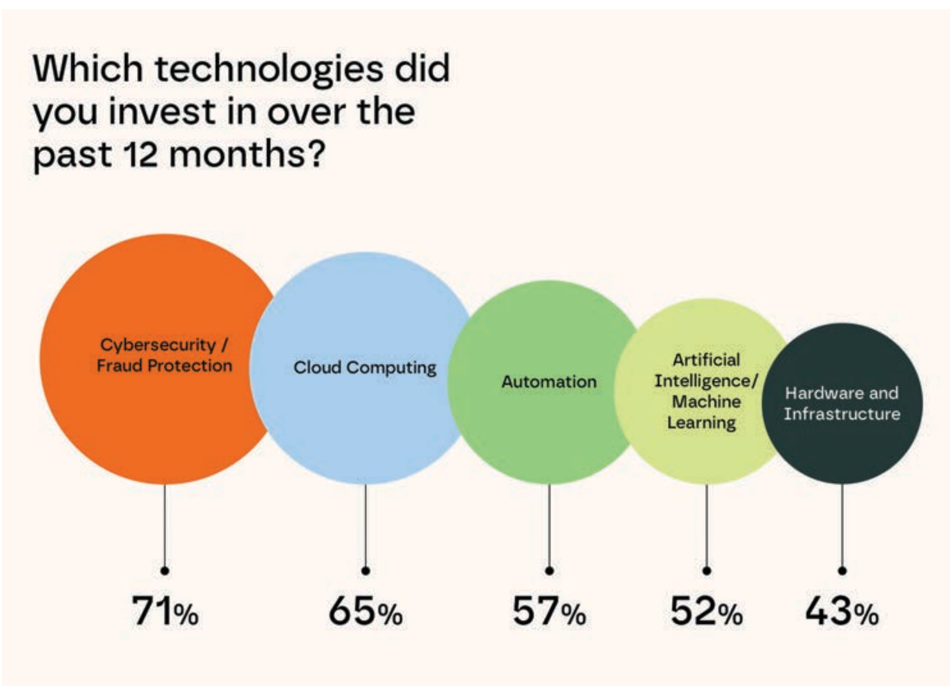
If you are interested in developing financial strategies to navigate the macroeconomic climate, your PNC relationship manager can help.

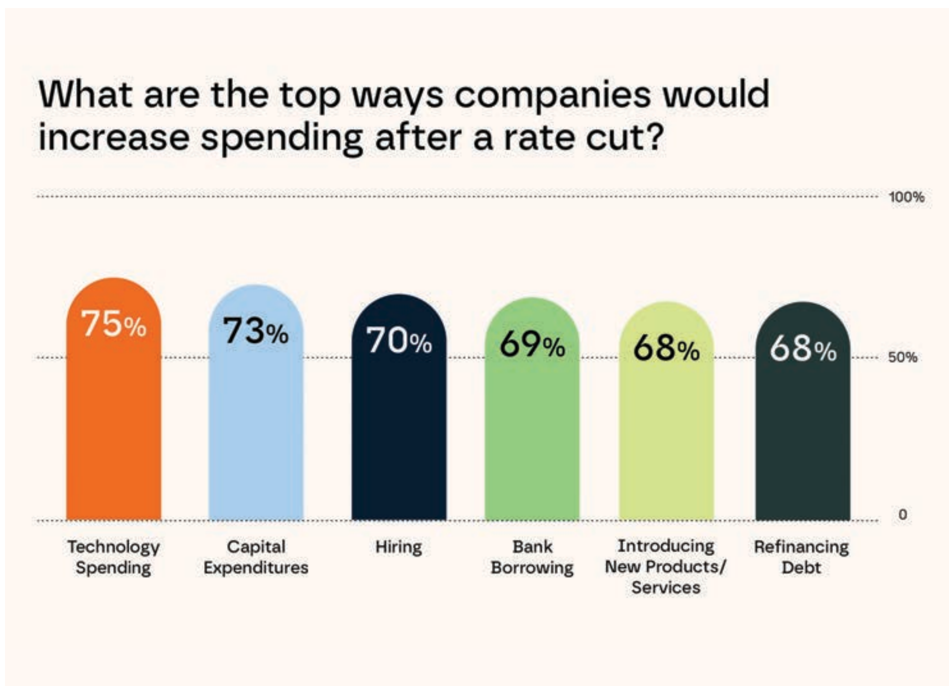
PNC and PNC Bank are registered marks of The PNC Financial Services Group, Inc. ©2024. The PNC Financial Services Group, Inc. All rights reserved.



Daniel Timmons is head of corporate banking for PNC. He can be reached at daniel.timmons@pnc.com.

Tom Thompson is commercial banking market leader for PNC. He can be reached at thomas.m.thompson@pnc.com. Learn more at pnc.com.





Conexus
CFO, IT, & HR Talent Solutions

Navigating the Complexities of the Office of the CFO

ADVISORY

EXPERT ADVICE & EXECUTION | EXCEPTIONAL RESULTS

- Private Equity Support and M&A Transactions
- Purchase Price Allocation
- Opening Balance Preparation
- Expedite/Streamline the Close Process
- Process Automation of any Accounting Cycle
- Audit Readiness and Remediation
- SEC reporting and IPO Readiness Support
- Restatement Support
- Technical Research and Memorandum Development

FINANCE & ACCOUNTING

EXECUTIVE SEARCH & DIRECT HIRE

- Chief Financial Officer
- Chief Accounting Officer
- VP / SVP of Finance
- VP / SVP of Accounting
- Controller
- Treasurer
- Manager / Director of Finance
- Manager / Director of Accounting
- TaxManager/Director/VP

CONSULTANCY | INTERIM ROLES | SPECIAL PROJECTS

Experienced CPAs and MBAs with Public and Private Company Backgrounds for:

- Transitional Accounting / Finance Leadership
- Month- & Year-End Close Assistance
- Budgeting & Forecasting Assistance
- SEC Reporting / SOX / Internal Audit
- Leave of Absences or Back Fills
- ERP / Finance & Accounting Systems Support

TECHNOLOGY

CONSULTING | CONTRACT | DIRECT HIRE

- CIO / CTO / CISO
- SVP / VP / Director of IT
- ERP / Implementation Specialist
- Enterprise Architect
- Program / Project Manager
- Scrum Master
- Product Manager
- Data / BI Architect
- Business System Analyst
- Cloud Architect
- Network / System Engineer
- Security Engineer
- QA Engineer

HUMAN RESOURCES

EXECUTIVE SEARCH | DIRECT HIRE | INTERIM ROLES

- CHRO, CPO, SVP / VP of HR
- Manager / Director of HR
- Contract Recruiters
- Interim HR Leadership
- Organizational & Talent Development
- Manager / Director of HRIS
- Compensation & Total Rewards
- Organizational Change Management

LOS ANGELES
8616 La Tijera Blvd, Suite 309
Los Angeles, CA 90045
(213) 289-3500

GLENDALE
700 North Brand Blvd., Suite 420
Glendale, CA 91203
(213) 289-3500

IRVINE
530 Technology, Ste. 267
Irvine, CA 92618
(949) 525-9802

www.conexusrecruiting.com

LOS ANGELES BUSINESS JOURNAL CFO 2024 AWARDS

Manufacturers Boost Efforts to Address Employee Needs Amid Labor Shortages

By MATT CYR

There are about 500,000 unfilled manufacturing jobs in the United States, and the total is expected to reach 2.1 million by 2030, according to a recent Manufacturing Institute study.[1,2]

Manufacturers are looking to tap into more diverse and inclusive pools of workers to address critical labor shortages. In addition, industry leaders are learning the importance of going beyond diversity recruitment and investing in retention. Along the way, many employers are finding additional benefits as they leverage underutilized human resources with unique skills that help them remain competitive and ensure the future of global manufacturing. While this article is specific to manufacturers, the goals and strategies can apply to any industry.

Cyr

UNFILLED JOBS COULD LEAD TO ECONOMIC LOSSES

In a recent National Association of Manufacturers (NAM) survey,[3] more than three-quarters of manufacturing executives identified attracting and retaining a quality workforce as their top business challenge. In interviews with Deloitte, 45 percent of manufacturers said they turned down business opportunities because they lacked workers.[4]

MANUFACTURERS PURSUE DIVERSITY

Some manufacturers are addressing this persistent labor shortage with efforts to expand diversity and inclusion, integrating more women, minorities, LGBTQ+ individuals, and neurodiverse workers into their teams. More than 6-out-of-10 manufacturers responding to the Manufacturing Institute survey said they pursued diversity and inclusion initiatives to be an employer of choice and that diversity and inclusion was a key focus for their company.1 What's more, roughly 79 percent of women are optimistic about women's progress in manufacturing.[5]

Some employers may feel their job is done once a diverse new hire is onboarded. However, ensuring diverse employees feel comfortable and supported in their workplace is crucial to preventing costly turnover.[6] Only one-in-three workers in a 2024 survey reported feeling their workplace was inclusive.[7]

RETENTION AND INCLUSION STRATEGIES

Strategies for inclusion and retention that focus on underrepresented groups can help with retention and leadership development. Other strategies will benefit all employees, including diverse groups.

High-level strategies include creating DEI goals, gaining buy-in among leaders for those goals, and holding leaders accountable for achieving them.[8]

> 'Overall, organizations with effective DEI initiatives also reported a greater ability to attract top talent, more employee engagement, and less turnover, according to research by the Association for Supply Chain Management13 and the Society for Human Resource Management.'

Specific goals and strategies include:

- Addressing pay gaps: Closing pay gaps helps retain diverse workers. In US durable goods manufacturing, men earn an average of $1,132 a week compared with $890 for women.[9]
- Offering flexible work arrangements: Statistically, women carry more caretaker responsibilities at home.[10] Flexible work arrangements can enable more caregiving workers to meet both their at-home obligations while meeting workplace expectations.
- Developing health and wellness programs: People are more likely to choose and remain at an employer with health and wellness benefits.[11]
- Providing professional development: Workers can envision a pathway to moving up when their company is invested in their future by offering assistance with the cost of additional training or academic coursework.
- Recognizing accomplishments: Workers feel seen and valued when their employer recognizes them for a job well done. Such recognition can come in the form of bonuses, time off awards, gift cards, and a weekly company email or chart praising successful project members or employees who are especially helpful to others.
- Listening to workers: Use focus groups and discussions to understand what your employees want and need. Then, develop strategies unique to your workplace and diversity goals.[12]
- Strategies don't need to be costly. One manufacturer committed to hiring more neurodiverse workers listened to and understood those workers' need to better visually distinguish between employees in different roles. They assigned unique colored vests to new hires, experienced workers, managers, and supervisors.[13] With this system, all new employees — whether neurotypical or neurodivergent — knew who they could ask for help.

THE BENEFITS OF A DIVERSE WORKFORCE

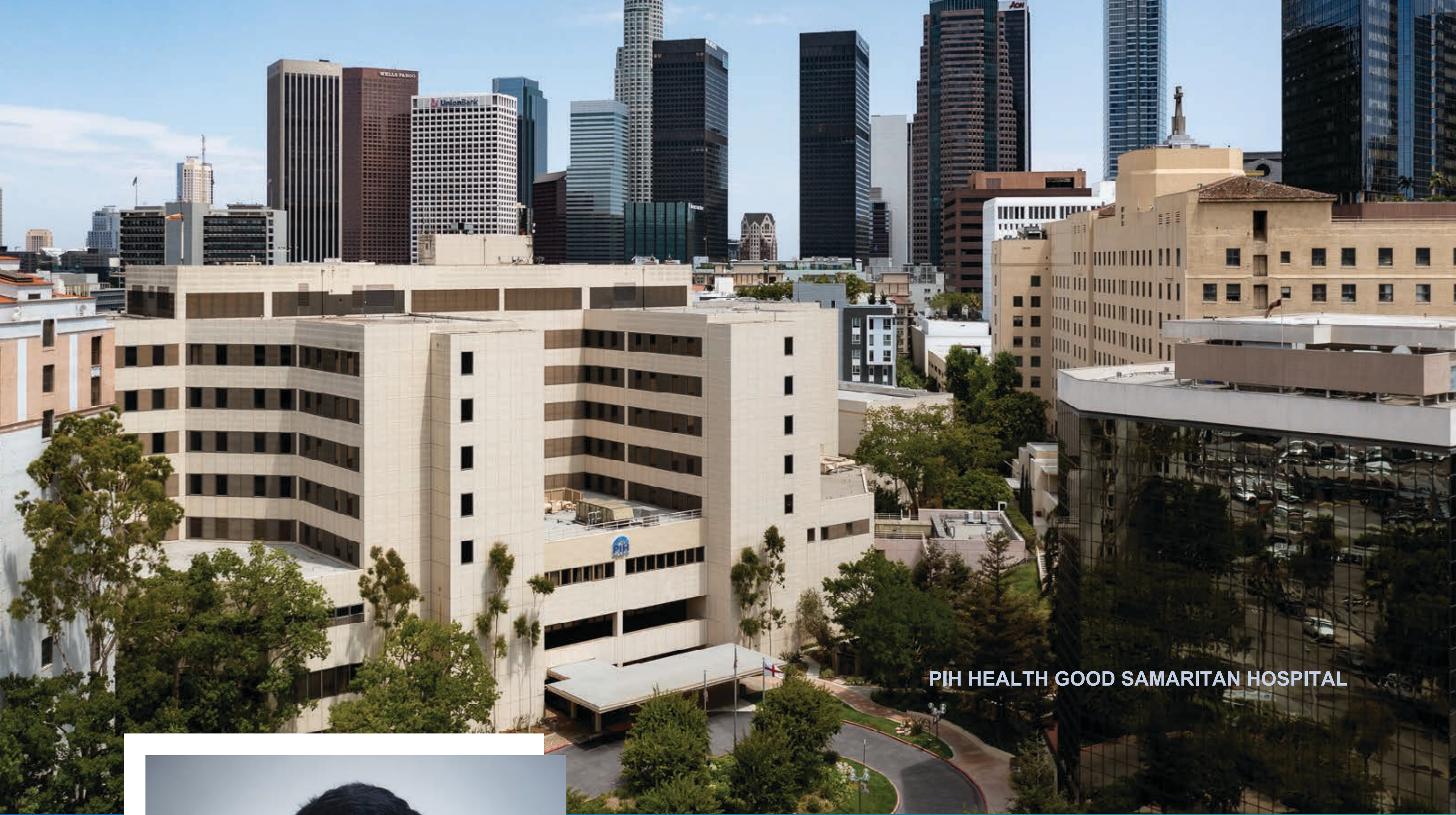
Different demographic groups and people with varied life experiences and backgrounds bring unique skills and problem-solving approaches to the workplace.

Overall, organizations with effective DEI initiatives also reported a greater ability to attract top talent, more employee engagement, and less turnover, according to research by the Association for Supply Chain Management13 and the Society for Human Resource Management. Nearly three-fourths (73 percent) of leaders in companies with very effective DEI practices say their company's supply chain performs better or somewhat better than the competition.

With the right steps in place, hiring a diverse workforce is an investment that can result in a competitive edge in the global marketplace.

Matt Cyr is a director and relationship manager in Los Angeles for BMO Commercial Bank. Learn more at bmo.com.

1. U.S Bureau of Labor Statistics, Economic News Release, accessed September 2024. 2. The Manufacturing Institute, Diversity, Equity & Inclusion Benchmarking in Manufacturing, October 2021. 3. National Association of Manufacturers, Manufacturers' Outlook Survey: Third Quarter 2022, 2022. 4. Deloitte, Competing for talent: Recasting perceptions of manufacturing, March 2022. 5. WiM x Xometry; The 2023 Women in Manufacturing Career Advancement for Manufacturing Report (xometry.com); 2023 6. Harold Andrew Patrick and Vincent Raj Kumar, Managing Workplace Diversity: Issues and Challenges, Sage Journals, April 2012. 7. Michael Page, Talent Trends 2024: The Expectation Gap, April 2024. 8. Association for Supply Chain Management, The Power of IE&D in the Supply Chain: Unlocking Resilience and Growth, June 2024. 9. Statista Research Department, Gender wage gap by industry in the United States in 2021, by median weekly earnings, August 2024. 10. U.S. Bureau of Labor Statistics, American Time Use Survey, June 2024. 11. Debra Wein, Win With Wellness — Attract And Retain Talent, Forbes, August 2018. 12. Karen Brown, To Retain Employees, Focus on Inclusion — Not Just Diversity, Harvard Business Review, December 2018. 13. Elizabeth Rennie, 5 Steps to a High-Performance Supply Chain with IED, Association for Supply Chain Management, June 2024.


PIH HEALTH GOOD SAMARITAN HOSPITAL

PIH Health Congratulates

Vid Shivaraman MHA

Chief Financial Officer, PIH Health

Los Angeles Business Journal 2024 CFO Awards Finalist

LA’s Health and Wellness Partner

PIH Health congratulates all the honorees of the 18th Annual LABJ CFO Awards. PIH Health is a nonprofit, regional healthcare network that serves Los Angeles County, Orange County and the San Gabriel Valley. Our fully integrated network includes 3 hospitals, 31 outpatient facilities, 7 urgent care centers, home healthcare services and more—all focused on providing you with world-class, award-winning care.

PIH HEALTH

PIHHealth.org

LOS ANGELES BUSINESS JOURNAL CFO 2024 AWARDS

Five Actions Your Private Company Can Take to Manage Short-Term Challenges

In today's rapidly changing environment, private companies face numerous challenges for both organic and inorganic growth. Rising costs and interest rates, the tight labor market, longer lead times for inventory and supplies — these are just some of the factors pressuring cash flows and margins. Private company leaders need to carefully balance their responses to short-term issues while maintaining a long-term vision for growth.

In the PwC Pulse Survey: Executive Views on Business in 2022, 57% of the private company leaders planning to capitalize on digital transformation initiatives this year said technology is one of the biggest limiting factors to growth. For many private companies, capacity and efficiency are hindered by antiquated digital platforms, one-off processes and disparate systems. In addition, a future-ready workforce wants the latest and greatest tech solutions. It's never been a better time to invest in technology to streamline business processes, drive efficiencies and improve decision-making. The benefits of these investments, combined with having stable and scalable technology platforms, are critically important — particularly when exploring inorganic growth.

Given these challenges, private companies need to be agile to meet evolving business needs. Put simply, you need to examine all areas of your business to preserve cash flow and drive growth.

1. TRANSFORM THE ROLE OF YOUR FINANCE LEADER AND SUPPORTING FINANCE FUNCTION

Most private company leaders have never seen a business environment like this before. In uncertain times, the role of finance needs to change and develop a skill set that goes beyond historical financial scorekeeping. The key to financial resilience will be the ability to see around corners, understand short-term risks and balance those risks with long-term priorities.

2. OPTIMIZE YOUR SUPPLY CHAIN AND CONSIDER OTHER OPERATIONAL IMPROVEMENTS

While some aspects of global and domestic supply chains are gradually returning to something looking like the pre-pandemic "normal," other areas remain highly challenging. Many companies still struggle with low fill rates, declining inventory turns and accurate demand forecasting. With interest rates on the rise, the negative effects of suboptimal inventory management are felt even harder. Adjusting supply chains to meet new business needs is a critical step to safeguard and grow your business.

Top concerns in the current environment include excess inventory, demand forecasting, lost sales, cost management, order inefficiencies, talent and space crunch. Help improve your supply chain by focusing on these areas.

3. PREPARE FOR INCREASING CYBER THREATS AND RANSOMWARE ATTACKS

All companies face cyber threats, but oftentimes smaller businesses can be more at risk. Private companies need to invest in the right technology and resources now to maintain the cyber integrity of their organizations and to ward off and recover from future, more advanced threats. Investing in cybersecurity and integrating capabilities to better manage risk has the added benefit of lowering costs through automation in a tech-enabled manner. You can take a number of steps now.

4. ADDRESS TALENT ACQUISITION AND RETENTION

With just over three-quarters of private company leaders telling us that talent acquisition and retention challenges are their top risks to achieving their goals in 2023, these executives are taking action. They realize they have to make a stronger case to their workforce to stay, and they're implementing strategies to appeal to employees where it makes sense. Their initiatives include enabling more flexible work options (84%), increasing compensation (70%) and improving benefits (43%), according to the PwC Pulse Survey "Executive Views on Business in 2022."

5. CONSIDER WHETHER INORGANIC GROWTH IS RIGHT FOR YOUR BUSINESS

For companies who are looking to grow through mergers & acquisitions, economic and geopolitical uncertainty have created challenges but also opportunities. The current market conditions bring a reset in valuations, a drop in private equity competition, and an increase in the amount of dry powder in the system – moving us from a selling market to a buying market. Private companies who have strong historical performance and access to capital may be able to seize on growth opportunities by making an accretive acquisition that aligns with their existing capabilities.

Download the full piece and other insights exclusively for private companies and entrepreneurial businesses by visiting PwC's Private Company Perspective website at pwc.com/us/en/services/trust-solutions/private-company-services/library.html.

Banking on Los Angeles's brilliance.

Through reliable and responsible investments, PNC Bank takes a boring approach to helping our customers and communities thrive. With the guidance of our local leadership — including a regional president like Todd Wilson — there's no telling how brilliant Los Angeles can be.

PNC BANK | BRILLIANTLY BORING℠

Brilliantly Boring since 1865 is a service mark of The PNC Financial Services Group, Inc.
©2024 The PNC Financial Services Group, Inc. All rights reserved.
PNC Bank, National Association. **Member FDIC.**

LOS ANGELES BUSINESS JOURNAL CFO 2024 AWARDS

Why Project Work is a Wise Move

By SEAN GILL

At Conexus, we are hyper-focused on helping our candidates find employment that enhances their skills while keeping them relevant in this hyper-competitive marketplace.

Many times, we come across outstanding candidates that are hesitant to consider interim work while searching for their next "dream job". Little do they know that by playing the waiting game, they are likely to diminish their stock value in the open market.

SCENARIO:

You're recently unemployed and looking for your next "perfect" job. You don't want to take the "wrong" job and are really focused on Culture, Growth Opportunity, Company Stability, and a commute situation that fits your needs. You would rather wait than jump into something that might not be the right long-term fit. You may not realize it, but you are a perfect contender for interim / project based work. Why is that?

THE FACTS:

• The current unemployment rate for CPA's and MBAs in Southern California is less than 2%. You are always more employable when you are working now as opposed to currently unemployed.

• What you thought was your "Dream Job" may change as you explore industries you've never had exposure to and companies that you may never have imagined working in.

> 'It's important to understand your options and how best to utilize your skills in a market that is always moving forward and hyper-competitive.'

• Other candidates with your same credentials and skillsets are actively engaged in project work while simultaneously looking for a long term, salaried position and they always have an edge in landing their next role over someone who is currently unemployed.

• In taking a project – you will be able to work in different industries more easily as it's common for clients to be much more flexible in hiring people with non-industry backgrounds. This is tremendously valuable for our candidates as it can open entirely new career opportunities and an entirely new network of professionals they may have never had the chance to meet prior.

• In taking a project, you will be exposed to new software / ERP systems – another huge value add to set you aside from other candidates.

• In taking a project- there is always a high percentage chance you will be made an offer to take a fulltime job – at that point you would also be able to make a very informed decision as to whether the company/culture/people and work is what you want to commit to long term. You are not obligated – but you have the luxury of choosing after having seen first-hand the inner workings of the company.

Ask yourself, what is the downside to entertaining project based work?

IN SUMMARY:

It's important to understand your options and how best to utilize your skills in a market that is always moving forward and hyper-competitive.

Think of your resume as an ad for a "House for Sale." The more that house sits on the market, potential buyers start looking at that house as a problem house. Otherwise, it would have sold by now.

Candidates that sit for months at a time in between roles, while looking for their next long-term role, limit themselves significantly in comparison to candidates that are working on a temporary project while selectively looking for their "perfect" long term home.

Ultimately, the benefits of short-term consulting in between jobs far outweigh the negatives. Contact us directly to learn more about our interim roles and opportunities.

Conexus
CFO, IT, & HR Talent Solutions

Conexus is Latin for Connection, Joining Together and Combination

Making quality connections and joining people together are what we do, but we focus on consistently doing it better than our competition.

We are experienced search experts who believe that clients benefit by partnering with an innovative, ethical, dedicated, and collaborative firm. Conexus was founded by former Big 4 CPAs and Recruiting Industry veterans. The Conexus team brings decades of experience conducting challenging searches, identifying, recruiting, qualifying, and delivering the best and most appropriate candidates for positions from the Manager through C-levels. Our clients call on us to deliver candidates for their Permanent, Temporary, and Special Project recruiting needs.

While many search firms manage their employees via quotas solely tied to volume, Conexus manages its professionals' using metrics that measure quality and hold its team to a higher standard. They are designed around a pursuit for clients' success and satisfaction in the Talent Acquisition process.

CONEXUS' CLIENT FOCUSED METRICS INCLUDE:

- Percentage of searches successfully completed: more than 90%.
- Percentage of clients that engage us for more than one search: nearly 100%.
- Average time to successfully complete searches:
  - Vice President and above: less than 90 days.
  - Experienced hire and middle management: less than 30 days.

OUR KEYS TO SUCCESS INCLUDE:

- Functional and regional focus.
- A heavy investment in technology to minimize time wasted on administrative tasks.
- A strategic, organized, disciplined search process.
- Passionate, intelligent employees.
- A mantra of consistently putting clients' needs first.

Let's discuss how we can help you with the most important ingredient tied to your company's future success: your future employees.

Locations: Glendale/Playa Vista (213) 289-3477 and Irvine (949) 525-9802.

You can also write to information@conexusrecruiting.com. Learn more at Conexusrecruiting.com.

SEAN GILL
Partner / Co-Founder
Recruiting, Interim Consulting & Advisory
Los Angeles

MIKE KELLY
Partner / Co-Founder
Recruiting, Interim Consulting & Advisory
Orange County

MATT PRIMEAU
Partner / Co-Founder
Recruiting, Interim Consulting & Advisory
Orange County

BANC OF
CALIFORNIA

When you're building a business, you need a bank with the strength, expertise and commitment to tailor solutions to your unique needs.

At Banc of California, we deliver on all three: financial stability that instills confidence, industry expertise that provides a strategic edge, and premier relationship banking with personalized solutions designed to grow and manage your business.
Banc of California — *Where Relationships Matter.*

bancofcal.com/strength

© 2024 Banc of California, a wholly owned subsidiary of Banc of California, Inc. All rights reserved. Member FDIC.

CB-MC2-0924

Los Angeles Business Journal CFO 2024 AWARDS

Achieving IPO Success in Today's Economy

As we navigate through the unpredictable fluctuations of the stock market, the onset of interest rate reductions, and the continuation of geopolitical discord, the year 2024 stands as a period marked by significant instability within the global economic arena. Despite the continued sluggishness in the Initial Public Offering (IPO) market, it is imperative for corporate leaders to maintain, if not intensify, their public readiness campaigns. The current climate necessitates a rigorous evaluation and refinement of public readiness initiatives, ensuring they are meticulously tailored to conquer the unique challenges and fulfill the stringent demands of today's dynamic market conditions.

Five key focus areas for executives to assess based on people, process and technology:

- Evaluate your workforce.
- Work to shorten your month-end close and reporting process.
- Does your FP&A process deliver valuable feedback for strategic decision-making?
- Is your control framework IPO ready?
- Review your IT architecture and data assets.

EVALUATE YOUR WORKFORCE

Through public company readiness, your workforce drives the change. To efficiently and effectively build out new public company capabilities and optimize existing processes and technologies for public company readiness, develop a comprehensive people strategy to identify and build the workforce necessary to support your future state public company ready operating model.

WORK TO SHORTEN YOUR MONTH-END CLOSE AND REPORTING PROCESS

Due to strict SEC reporting requirements, it is critical for public companies to adhere to public company filing deadlines, typically meaning an acceleration of the period-end close process to properly provide management with timely, reliable financial information well ahead of filing deadlines. Achieving a gold standard five- to seven-day close is a time-consuming, iterative process that often requires multiple cycles and tools to perfect. To ensure a smooth transition to public company operations, it is best practice to have the close and reporting process functioning at a public company level in advance of the transaction.

DOES YOUR FP&A PROCESS DELIVER VALUABLE FEEDBACK FOR STRATEGIC DECISION-MAKING?

The speed at which many private companies elected to go public in 2021 to take advantage of favorable market conditions often forced management teams to quickly build out a skeleton FP&A function. Given the strategic importance of a high-functioning FP&A team, finance executives should utilize the time gained from a delayed public transaction to evaluate and enhance the people, processes, and technology of their FP&A team.

IS YOUR CONTROL FRAMEWORK IPO READY?

Every publicly traded company is obligated to comply with the SOX Act, but the timing of required compliance can vary depending on a multitude of factors including how the company goes public (traditional IPO or de-SPAC transaction) as well as the filing status. An evaluation of anticipated filing status, factoring in forecasted growth and anticipated timing of a public offering, will best support strategic planning for effective SOX compliance. The SOX implementation process can take upward of 18 months, but there are many ways to prepare early and be positioned for success.

REVIEW YOUR IT ARCHITECTURE AND DATA ASSETS

While many executives view their IT infrastructure as a cost of doing business, high-performing companies understand the value that can be derived from leveraging IT as a strategic asset. To fully realize the value of IT as a strategic asset, management needs to evaluate the people, process, and technology components of their IT architecture and data assets.

CONCLUSION

Regardless of the capital markets landscape, preparation for public company readiness is a significant undertaking, and companies can leverage the current slowdown in deal activity to further their readiness efforts to be better positioned to act when market conditions are favorable. For help in this process, you can reach out to the experts at CFGI. Our team is prepared to offer you a free 30-minute consultation to discuss your company's public readiness journey. Be sure to ask about our public company readiness assessment service, which can provide an objective and comprehensive understanding of your company's readiness.

We currently work with clients throughout the US and internationally. Our California office include Los Angeles, Irvine, San Diego and San Francisco.

Email us today to begin a dialogue. We'll show you how a consulting relationship with CFGI can provide both immediate benefits and lasting effects.

For more information, contact Brian Powell (bpowell@cfgi.com); Malick Shahab (mshahab@cfgi.com); or Greg Lynch (glynch@cfgi.com); or learn more cfgi.com.

Century Group

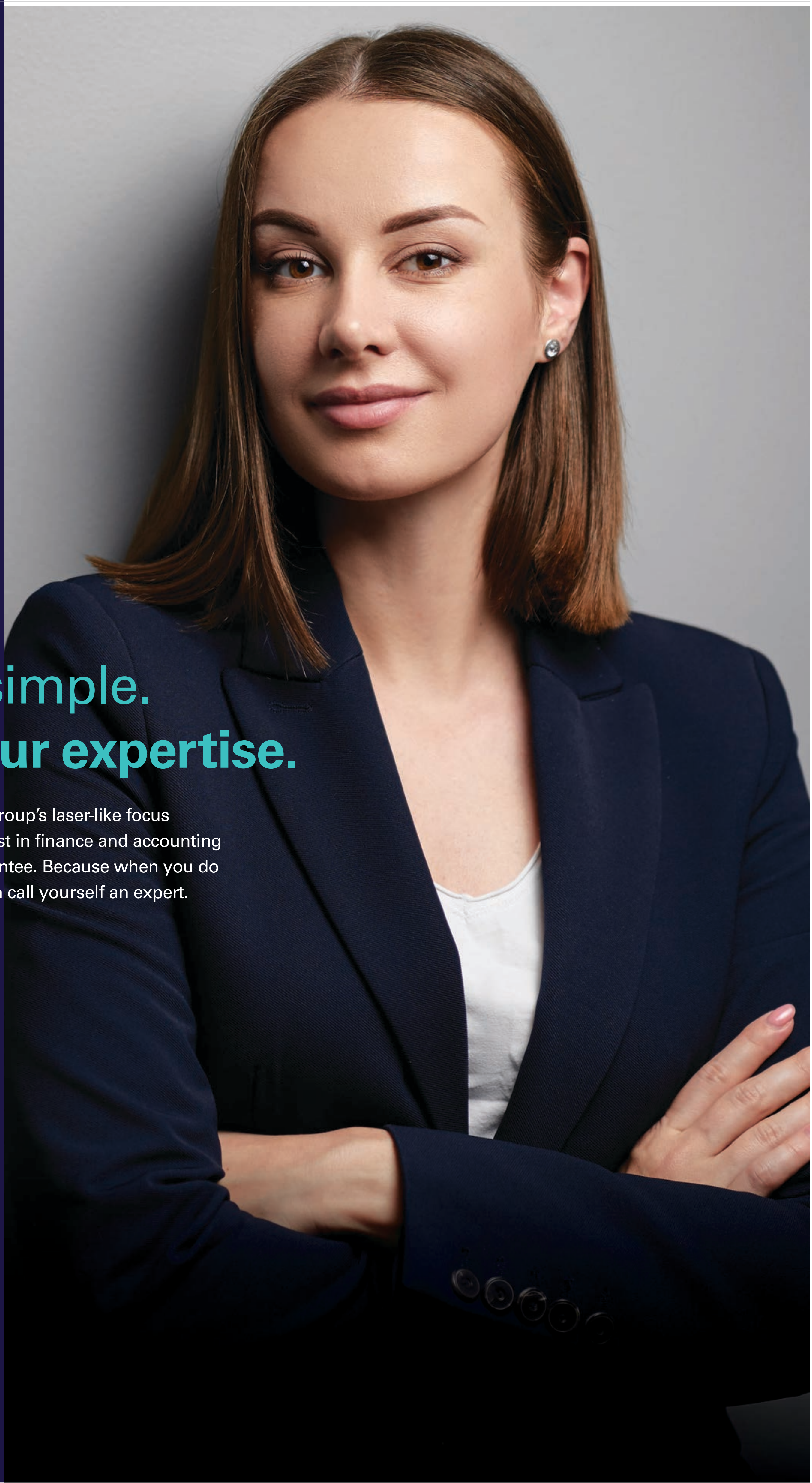
Executive Recruitment & Professional Staffing

Accounting | Finance | Tax | Audit

Hiring made simple.
Your vision. Our expertise.

30 years says something: that Century Group's laser-like focus on finding and placing the best of the best in finance and accounting talent is not just a likelihood, but a guarantee. Because when you do one thing, that well for that long, you can call yourself an expert. Everyone else does.

For more information and opportunities:
www.century-group.com



COSTA MESA DENVER EL SEGUNDO GLENDALE SAN DIEGO WALNUT CREEK WESTLAKE VILLAGE

Los Angeles Business Journal CFO 2024 AWARDS

CFOs Want Operational Experience and Familiarity with New Tech When Identifying Successors

GenAI tops list of internal concerns

Each quarter, Deloitte's CFO Signals survey tracks the thinking and actions of some of the leading CFOs representing North America's largest and most influential companies. Since 2010, the survey has provided key insights into the business environment, company priorities and expectations, finance priorities, and CFOs' priorities. Participating CFOs represent diversified, large companies, with 80% of respondents reporting annual revenue in excess of $1 billion. Approximately one-fifth (20%) are from companies with greater than $10 billion in annual revenue.

ASSESSMENT AND SENTIMENT TOWARD ECONOMIC CONDITIONS

CFOs' outlook was cautious, as most indicate the economy is their most concerning external risk. This sentiment was perhaps most apparent in CFOs' risk appetite: only 26% of surveyed CFOs believe that now is a good time to be taking greater risks.

CFOs offer differing opinions in their valuation of US equity markets; 38% consider U.S. equity markets undervalued. While 34% believe them to be overvalued. A large proportion of CFOs say neither debt nor equity financing is desirable. The lack of enthusiasm for debt financing may be due to high borrowing costs and uncertainty about interest rate cuts.

OWN COMPANY OPTIMISM AND RISK

Thirty-eight percent of CFOs express optimism for their companies' financial prospects, while 39% express pessimism.

CFOs' greatest external and internal concerns continue to reflect a challenging business landscape. While talent continues to remain at the forefront of CFOs' most worrisome internal risks, GenAI adoption was this quarter's top internal concern. Externally, concerns about the economy, geopolitics, and cybersecurity are the top three worries for CFOs.

CFO SUCCESSION PLANNING

Despite the attention paid to succession planning in the C-suite, 1 in 4 respondents indicate that their organizations do not have a formal CFO succession plan. This is somewhat surprising given that the survey group consists of businesses with at least a billion dollars in revenue.

When asked what items should be the top priority when developing a framework for CFO succession planning, 27% of CFOs point to the creation of a role profile. Only 12% of surveyed CFOs say their companies had already developed such a framework to find a successor.

The top three actions CFOs plan to take to prepare their successor include: placing them in managerial training programs (43%), working with successors to create a developmental/transition plan (39%), and mentoring/coaching them on how to do the job (39%).

The skillset desired for CFO successors underscores the changing nature of the CFO role, as a plurality of CFOs (37%) view operational experience as one of the three most important factors in identifying potential replacements. That was followed by familiarity with new technologies (30%) and network leadership (30%). More traditional financial skills, like accounting (28%) and FP&A (24%), did not make the top three.

Surveyed finance chiefs believe their ability to explain results to board members in clear simple terms is among the most valued skills by boards when considering a CFO for board membership. The majority of CFOs on corporate boards cite having a larger say in shaping a company's strategy (22%) as the main reason for their interest — another sign of the evolving role of the CFO.

"Modern CFOs are required to stretch across multiple priorities that fall well beyond their traditional reporting and analysis scope," said Steve Gallucci, national managing partner, US CFO Program, Deloitte LLP, and global leader, Deloitte Touche Tohmatsu Limited. "As the business world evolves, CFOs must expand their skillsets to include tech fluency akin to that of a digital native and robust familiarity with the trends shaping their businesses industry. More and more, we are seeing organizations look to folks with operational experience to fill vacancies in the chief finance role."

Learn more at deloitte.com.

CFGI

Supporting CFOs
In all critical functions

CFGI provides solutions to solve clients' most complex problems without the restrictions created by auditor independence rules. We were founded to be a partner to the CFO and see ourselves as an extension of your organization. We're dedicated to delivering finance solutions that will continue to generate value long after implementation.

CFGI is a leading global accounting and business advisory firm. Our team of over 1000 former Big 4 professionals brings expertise across technical accounting, capital markets, tax, valuation, ESG, transaction advisory, restructuring, cybersecurity and technology solutions — all delivered with an independent and roll-up-the-sleeves approach. CFGI was founded in 2001 and serves thousands of global clients from our 28 offices throughout the Americas, Europe, and Asia Pacific regions.

By choosing CFGI as your partner, you gain access to a full-service resource, equipped to efficiently address your most crucial challenges.

Visit us at cfgi.com

Congratulations to the Nominees of the 2024 Los Angeles Business Journal

CFO of the Year Awards

Congratulations to our CFO, Michael Cornforth for being nominated for the *Los Angeles Business Journal's* CFO of the Year Awards

NKSFB LLC

Los Angeles Business Journal CFO 2024 AWARDS

CFOs Should Build Cost Strategy Around Differentiating Factors

Only a third of firms drive returns greater than the cost of capital, according to a Gartner, Inc. analysis of cost structure models. For those organizations built around factors such as unique competitive differentiators they drove a 6% greater return on return on invested capital (ROIC) over three years when compared to those with cost models focused on external factors such as competitive trends.

"Most companies have cost models that respond to factors external to the organization," said Jason Boldt, research vice president for the Gartner Finance practice. "This might take the form of chasing the same 'hot' markets as competitors or overcommitting to well-known trends such as digital business or artificial intelligence."

Yet CFOs who model their costs around the differentiating factors unique to their organizations secure on average a greater excess ROIC versus those who focus on extrinsic factors. They also exhibit more resilience in the face of unexpected events, such as the COVID-19 economic crisis.

"Even before the COVID-19 downturn, less than a third of public companies we studied were earning returns above the cost of capital," said Boldt. "Our research shows that CFOs are often blown off course by external targets that prioritize growth over profitability. Their targets, because they are externally focused, are routinely disrupted by changes to the macro picture."

As part of the analysis, Gartner studied the performance of 1,142 public companies over an eight-year period and complemented this quantitative analysis with in-depth interviews of large enterprise CFOs. The analysis revealed that the factors that influence the CFO in determining how they structure and prioritize costs can have a meaningful impact on value creation and excess economic return.

FOLLOWING COMPETITORS LEADS CFOS ASTRAY

The pressure to model growth, and therefore cost management strategies, around matching competitors leads to chasing after crowded markets, pursuing dubious trends and deals that boost short-term growth at the expense of long-term value. Among the public companies Gartner studied for long-term performance, revenues have improved by 25%, yet reinvestment efficiency and profitability both declined over the same period.

"The story of the last decade has been one of mostly unprofitable growth," said Boldt. "In many industries, competition for organic growth has intensified, leading many organizations to secure growth through M&A. This boosts short-term growth but adds significant invested capital to balance sheets that the majority of companies have failed to translate into excess returns on capital," said Boldt. "CFOs who follow the herd and chase popular trends suffer when it comes to the most important long-term metrics."

DIFFERENTIATED COST STRUCTURES DRIVE VALUE

CFOs seeking to move towards a differentiating cost structure will face three risks. First, when the business gets word that CFOs are protecting costs associated with differentiation, everything becomes differentiating to protect business unit's budgets. Second, budget holders will potentially ask for increased resources to achieve differentiation. Finally, business leaders may struggle to make appropriate tradeoffs.

To overcome these barriers, Boldt recommends the following approaches:

- **Cross-Functional, Not Finance vs. Business –** The complexity and interrelatedness of costs that drive points of differentiation are critical to protect and require ongoing assessment from business owners to ensure these costs are protected. Resourcing the most complex costs with both business owners and finance leaders ensures cost optimization targets do not inadvertently cut areas of differentiation.
- **Pressure-Test Constraints, Not Budget Inputs –** To better understand both the lower and upper bounds of useful funding for a project, finance and business leaders can test both the absolute lowest budget before a project breaks and the maximum funding a project receives before returns diminish. Conducting such an exercise can reveal when a project can start on a "lean" basis.
- **Test-and-Learn, Not "All-In" –** CFOs should avoid going all-in on differentiating investments until they have sufficient evidence for how specific costs create a point of differentiation and the market outcomes that prove it, such as customer willingness-to-pay.

Learn more at gartner.com.

fei

los angeles

where engaged financial leaders thrive

CONGRATULATIONS TO ALL LABJ CFO AWARD NOMINEES!

We invite you to join our financial leaders' group.
We have a great line-up of events to inspire you
and provide networking opportunities.

financialexecutives.org/Network/Chapters/Los-Angeles /home.aspx

linkedin.com/showcase/financial-executives-international-fei-los-angeles-chapter

LOS ANGELES BUSINESS JOURNAL CFO 2024 AWARDS

Three Critical Areas Where CFOs Drive Enterprise Performance Improvements

Research finds that corporate finance leaders are leveraging the finance function to deliver greater performance in operations, technology and talent

Chief Financial Officers and finance leaders are playing a larger role in enterprise-wide business transformations, particularly in operations, technology and talent, according to a survey conducted last year by FTI Consulting's Office of the CFO Solutions practice, in collaboration with CFO Research.

Responses were gathered from 157 senior executives with finance responsibility, including CFOs, directors of finance, controllers, VP/EVP/SVPs of finance, and others, at a wide range of companies with revenues from $100 million to more than $10 billion in a full gamut of sectors, including financial services/real estate, wholesale/retail trade, health care, and insurance.

This survey shares insights into the expanding role of CFOs and how their engagement with their CEOs, in addition to partnering with COOs, CHROs, CPOs, and CIOs, can translate into superior performance for the enterprise, including shaping corporate strategy, implementing key initiatives, and providing data, guidance, and insight to ensure success. "We just need to be more collaborative and transparent with each other to grow the company," noted one finance leader.

Some of the key insights include:

- **Some CFOs are still missing the basics**

More than 1/3 of CFOs report that their firms are not conducting routine tasks, such as variance analysis, which is leaving a gap in performance monitoring and improvement.

- **CFOs are getting more involved in talent matters, but identifying how to work with CHROs remains a challenge**

Only 39% of respondents believe their organization has an effective partnership between the CFO and Chief Human Resources Officer. Those who do work together are making an impact on hiring and retention, workforce planning and aligning required skills to business needs.

- **A strong partnership between CFOs and IT is crucial to business performance**

CFOs are focusing on technology investments because of competitive advantages that new and enhanced capabilities provide across the enterprise. But many companies aren't trying to get more out of the IT infrastructure that they already have, so they're missing an opportunity to improve performance without incremental technology investment.

> 'Only 39% of respondents believe their organization has an effective partnership between the CFO and Chief Human Resources Officer.'

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political and regulatory, reputational and transactional. With more than 4,700 employees located in 28 countries, FTI Consulting professionals work closely with clients to anticipate, illuminate and overcome complex business challenges and make the most of opportunities.

CFO Research, an Argyle company, has been a trusted source of insight into the business issues that matter most to finance professionals since its founding in 2000. CFO Research is the sister firm of CFO Magazine, and relies on senior finance executives to share their experiences, insights, and observations on critical business issues. This cutting-edge research supports critical business decisions by our sponsors, as well as their thought leadership positioning and marketing efforts.

Learn more at ArgyleForum.com.

Keck Medicine of USC | LIMITLESS®

Keck Medicine of USC is proud to honor Chris Allen, chief financial officer, who has been recognized by the Los Angeles Business Journal for the 2024 CFO Awards. The outstanding work of all of our teams is focused on one goal — delivering world-class care tailored specifically for our patients. **Together we are Limitless**

Chris Allen
CFO
Keck Medicine of USC

© 2024 Keck Medicine of USC

LOS ANGELES BUSINESS JOURNAL CFO 2024 AWARDS

CFOs Reach Highest Level of Optimism in Three Years

A recent survey from Grant Thornton, one of America's largest brands for audit, assurance, tax, and advisory services, revealed that chief financial officers are optimistic about the US economy. In fact, at 58%, this is the highest level of optimism since the third quarter of 2021.

Grant Thornton's Q2 2024 CFO survey of more than 225 senior financial leaders revealed several other positive indicators.

The data showed that 63% of respondents are confident in their organization's ability to meet increased demand — a record high in the history of the CFO survey. Respondents are also feeling confident about meeting supply chain needs (62%), growth projections (56%), cost control goals (55%) and labor needs (55%).

Additionally, 75% of CFOs expect their net profit to grow over the next 12 months, while 69% expect their revenue to increase — a positive sign, since over two-thirds (67%) expect their expenses to increase.

Still, CFOs believe the cost of capital remains high, as 57% of respondents said cost optimization remains their top area of focus this quarter.

"Although most finance leaders are confident in their ability to control costs, it's going to require significant focus," said Paul Melville, national managing principal of CFO Advisory for Grant Thornton Advisors LLC. "The business environment is ripe for growth, but CFOs must manage costs to capitalize on it."

MANAGING COST CUTS

Inflation and the need for digitalization are among the most significant burdens that CFOs are facing as they attempt to keep costs under control.

According to the Q2 survey results, over one-third of finance leaders (37%) identified materials costs as an area for potential cuts — perhaps showing optimism that inflation may finally subside in the coming months.

"The surface looks calm," Melville said, "but underneath, finance leaders are paddling like crazy to control all their costs, mitigating against liquidity challenges and materials costs while making parallel investments in AI and cybersecurity, all of which will pay off."

Finance leaders also cited human capital expenses related to employee headcount and compensation levels as the top area for potential cost cuts. Meanwhile, 47% of CFOs identified workforce rationalization as a top-three area of focus for the next six month – an increase of 14 percentage points over the previous quarter.

HIRING CHALLENGES AMONGST BUDGET CONSTRAINTS

After the post-pandemic talent shortages of the past few years, CFOs understand the importance of maintaining staffing levels that will enable them to deliver on their strategic goals. Fifty-eight percent of finance leaders said attracting and retaining key talent is a human capital priority for the next 12 months.

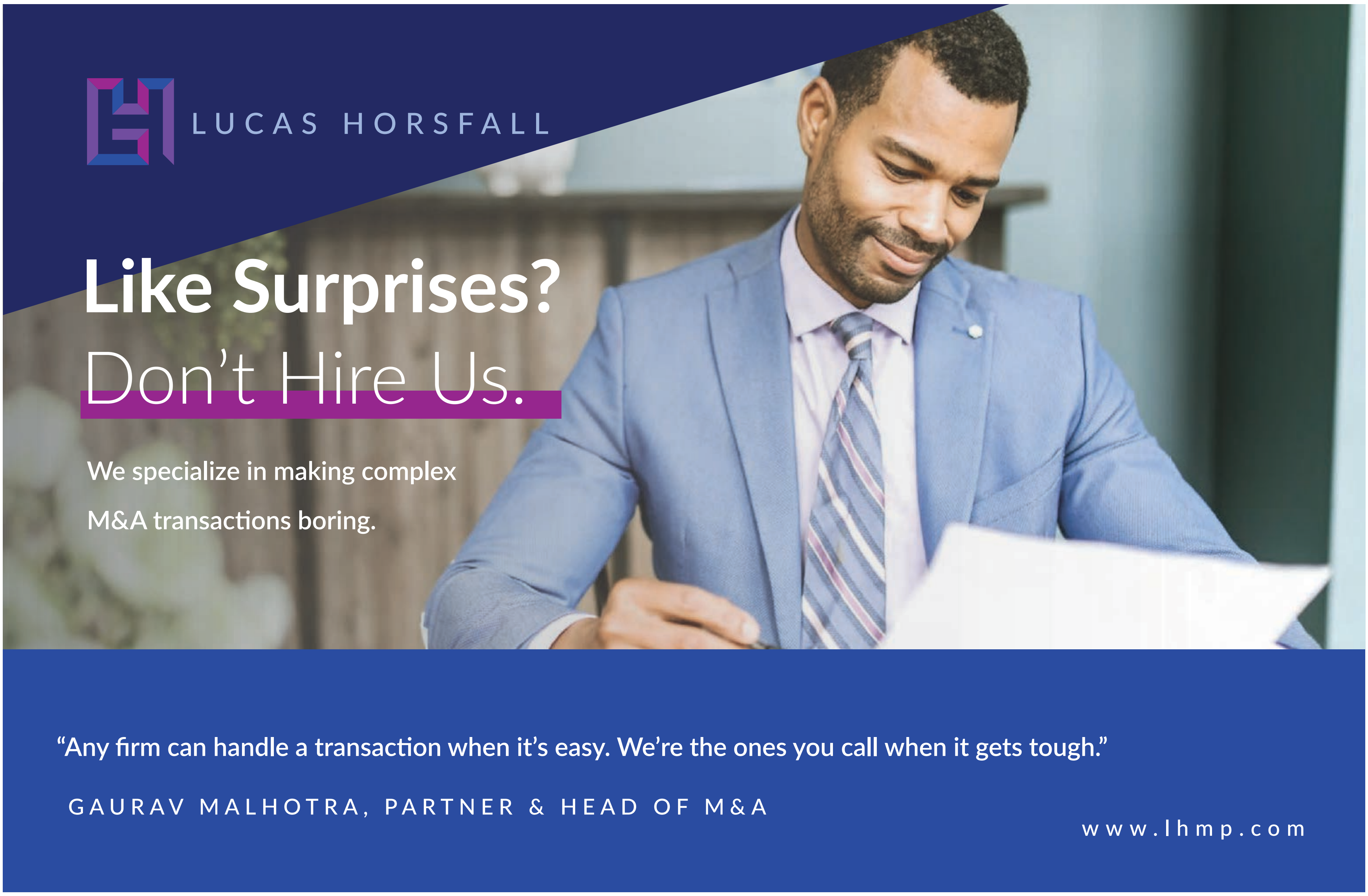
However, finance leaders also said their top challenge for bringing in talent is budget limitations. When the talent pool is limited, it often takes a bigger financial commitment to recruit the right people.

"When it comes to human capital costs, CFOs seem to be saying, 'I haven't got the budget to spend that much as costs rise elsewhere'," Melville said.

On the other hand, CFOs seem overwhelmingly satisfied with the performance of their human resource functions. Ninety-one percent of finance leaders said their organization has a solid talent strategy in place to deliver on business goals, and 89% said their technology platforms allow employees to maximize their output and efficiency.

"People are trying to do more with less," said Jim Wittmer, the managing principal of Grant Thornton's Atlantic Coast region. "There's a willingness to spend on technology because it can lead to greater efficiency down the line, but there's definitely a cost rationalization element in the market right now."

Learn more at grantthornton.com.



LOS ANGELES BUSINESS JOURNAL CFO 2024 AWARDS

Layoffs May Ultimately Harm Shareholder Returns

Changing demographics and declining labor force participation mean rebuilding a workforce is slower and more costly than in the past

CFOs tend to underestimate the organizational drag created by large-scale workforce reductions, and therefore can inadvertently reduce shareholder returns when taking actions to protect them, according to Garner, Inc.

"Given a higher cost of capital, renewed investor focus on profitable growth and widespread forecasts of a global recession, CEOs are asking their CFOs to reduce costs," said Vaughan Archer, senior director, research and advisory in the Gartner Finance practice. "In many notable bellwether companies, particularly in the technology, retail and financial services industries, this is taking the form of layoffs."

"The first thing to recognize is that there is an immediate upfront cost to layoffs as a business will need to reorganize itself around a smaller group of employees and typically incur costly upfront severance payments. Thereafter, a business is likely to see an increase in both costly contractor hiring and demands for increased compensation from remaining employees who are now under a greater burden."

> 'None of this is conducive to long-term shareholder gains. CFOs need to work cross functionally with peers in HR, recruitment, sales and service to ensure they are properly accounting for the potential cost of layoffs.'

Given that personnel are a key cost driver for most organizations, it's not surprising that business leaders look for cuts here when trying to contain costs in an uncertain business environment. However, a recent Gartner analysis suggests that forecasted savings tend to become offset by the unforeseen consequences of layoffs within three years and in many cases can be detrimental to shareholder returns in the long term.

Many businesses will see any cost savings from layoffs eroded, and that's even if a business manages to avoid a vicious cycle of employee turnover driven by overstretched staff and lower morale. Moreover, at some point the business cycle will turn, and businesses will need to rehire the headcount anyway, likely at higher rates than the employees who were laid off.

"In the more negative scenarios, the factors detailed here are also going to harm growth in existing and new business, and ultimately a firm will start losing its customers," said Archer. "None of this is conducive to long-term shareholder gains. CFOs need to work cross functionally with peers in HR, recruitment, sales and service to ensure they are properly accounting for the potential cost of layoffs."

To help its clients find alternatives to layoffs, Gartner experts have identified ten alternative ways to reduce personnel costs.

1. Voluntary Reduction in Hours – Many employees may willingly take a reduction in hours and commensurately lower pay.

2. Internal Redeployment – It is likely that even where headcount reduction is necessary, there will be transferable skills in demand elsewhere in the business.

3. Reduce Executive Compensation – Laying off staff while failing to contain executive pay is likely to damage staff morale and the wider reputation of a business.

4. Four-Day Workweek – This is not about cutting pay, but may control pay growth and staff turnover as employees find better work-life balance and increased productivity as burnout is reduced.

5. Remote Work – Similar to a four-day week, this promotes a better work-life balance, and also could reduce real estate costs over time.

6. Voluntary Leave of Absence – Extensive unpaid leave (typically three to 18 months) with an understanding staff will return when conditions improve.

7. Organization-wide Pay Cuts – All staff salaries are reduced by an equal percentage.

8. Hiring Freeze – New hires approved by finance on a case-by-case basis.

9. Sabbatical – Opportunity for employees to pursue a professional interest that still contributes back to the company. Employees are not required to be paid, but partial pay could be an option, depending on the sabbatical contribution to organization.

10. Benefit Cuts – Fringe benefits cut based upon cost and impact assessment.

Learn more at gartner.com.

CONGRATULATIONS
Eric Chin
CFO of the Year
NOMINEE
LA Business Journal

AKIDO Making exceptional healthcare universal.

LOS ANGELES BUSINESS JOURNAL CFO 2024 AWARDS

Risk Orientation is Critical to Audit Effectiveness

Financial stewards and chief audit executives (CAEs) have identified risk orientation, stakeholder management, and team leadership as the top three characteristics of the most effective individuals, according to a survey by Gartner, Inc.

In April 2023, Gartner surveyed 114 CAEs across 180 areas to identify the most important measures of an effective CAE, and the six that were the most significant included: management satisfaction; CAE and audit department performance; perception of the CAE; audit engagement quality; CAE impact; and team engagement.

"In terms of CAEs being 'effective', it can ultimately be measured by important organizational risk outcomes, such as risk-informed decision making, the number of surprise risk events, recovery times after risk events, and delivering a coordinated risk response," said Tim Berichon senior director analyst in the Gartner Risk & Audit Practice. "The more personally effective a CAE is, the better those outcomes will likely look in an enterprise."

Three main drivers were correlated with higher levels of effectiveness include:

RISK ORIENTATION

"Risk orientation was the single biggest factor driving high CAE personal effectiveness scores in our study," said Berichon. "CAEs with high-risk orientation improved their personal effectiveness by up to 47%."

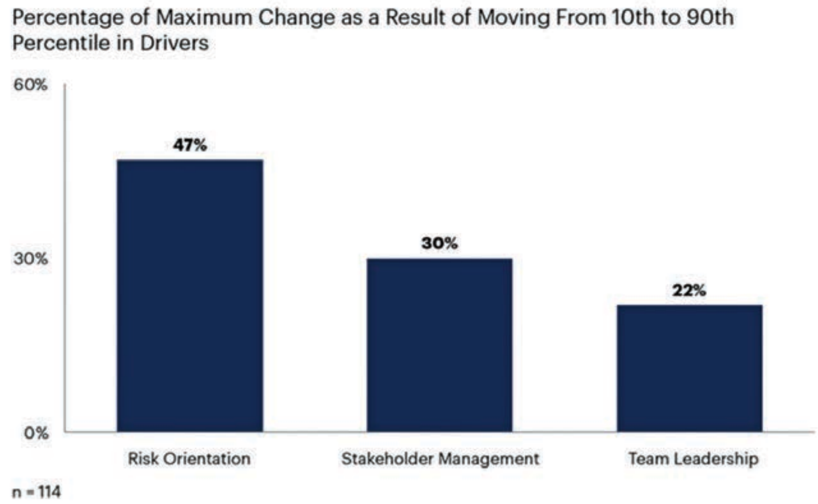
Risk orientation results in the CAE's audit plan aligning with top enterprise risks, and audit's risk assessment aligning with other functions. Further, audit recommendations are well-aligned to enterprise risk appetite.

"Everything internal audit does should be oriented to risk," said Berichon. "Given the importance of risk orientation, it's also interesting to note that effective CAEs are more likely to actively participate in enterprise risk management (ERM)."

STAKEHOLDER MANAGEMENT

Stakeholder management drove an up to 30% improvement in CAE personal effectiveness. This involves regular informal discussion with key stakeholders, and an empathetic understanding of their motivations and priorities. The CAE monitors the concerns of key stakeholders, and CAEs understand how they are perceived by others.

"The most effective CAEs view themselves more as a strategic executive and are aspirational in the role," said Berichon. "A vital characteristic of a high-performing executives is a strong rapport with stakeholders throughout the enterprise, and this is another main attribute found in the more effective CAEs."



The three drivers of higher CAE personal effectiveness

TEAM LEADERSHIP

Effective team leadership underpins effective CAEs. Coaching team members towards their goals and helping them to develop in their role is important, as well as encouraging direct reports to meet their counterparts across the business to discuss ongoing projects.

"This is not just about goals and priorities but about listening to, and understanding, the needs of a team," said Berichon. "An effective team leader fosters an open culture where team members share thoughts and ideas, and helps people make connections that will aid their development."

Los Angeles Business Journal CFO 2024 AWARDS

CFOs See Expanding Roles as Digital Transformation Urgency Increases

Research finds strategic focus on order-to-cash process can boost cash flow

> 'As we navigate an ever-changing business climate, the role of CFOs is becoming increasingly multifaceted and crucial'
>
> SUNIL RAJASEKAR
> Billtrust

The role of today's Chief Financial Officer (CFO) is undergoing significant changes and expansions, according to a recent study, "The Evolution of Order-to-Cash," conducted by global market analysis and advisory firm IDC on behalf of the B2B order-to-cash software and digital payments market leader, Billtrust. The study, administered to 622 business executives, highlights the growing importance of CFOs in managing cash, supply chain finance, insurance and commodities while working with limited resources.

Amid ongoing economic uncertainty, 90% of the respondents agreed that the CFO's importance has "significantly" elevated within their organizations. This trend holds in the United States and Europe, where nearly 90% of respondents acknowledged the increased significance of the CFO.

The survey results also highlight the need for CFOs and financial leaders to prioritize digital transformation in the order-to-cash (OTC) process to improve efficiency, optimize cash flow and ensure long-term organizational survival. 77% of those surveyed went as far as to say that digital transformation across the OTC process is critical for their survival. Additionally, the study revealed that 44% of respondents have made significant changes to their OTC processes in the past 24 months, including payment management, invoicing and billing, and order management. Notably, 37% of US respondents and just over 50% of EMEA respondents have implemented significant OTC process changes during this period.

"As we navigate an ever-changing business climate, the role of CFOs is becoming increasingly multifaceted and crucial," stated Sunil Rajasekar, CEO at Billtrust. "This study emphasizes the expanding expectations of CFOs, not only to manage the company's finances but also to contribute to key business decisions, steer the company through uncertain credit and financial markets, and oversee cost control across all departments. In this era, digital transformation, particularly within the order-to-cash process, is not merely an option but a necessity. By leveraging technology and automation, CFOs can unearth novel efficiencies, optimize cash flow management, and sustainably drive business growth."

"These findings illustrate how cash flow has reemerged as a top concern for businesses, particularly in the mid-market sector, where organizations often face challenges accessing capital markets and securing financing," said Kevin Permenter, research director, financial applications at IDC. "Consequently, the order-to-cash process has gained heightened importance to ensure efficient cash management. The good news is that many CFOs and financial leaders seem to be taking the necessary steps to do so."

Additional highlights from the report include:

- **Digitization fuels bottom-line results:** An overwhelming 94% of respondents stated that manual OTC processes would adversely affect their company›s financial performance.
- **Yet, executives struggle to reach digital maturity:** Only 15% of respondents have achieved a connected OTC process based on real-time data.
- **Late payments highlight the urgency of OTC:** As business executives consider the importance of cash/liquidity today, 17% of their invoices go unpaid by their due date.
- **Outdated OTC process impacting employee experience:** 54% agree that "the lack of OTC modernization has had a negative impact on our ability to attract and retain financial employees." Meanwhile, 30% of respondents characterize OTC employee turnover rate as "high" or "extremely high."

To learn more about the study and its findings, visit billtrust.com.

CELEBRATING OUR VP, CORPORATE CONTROLLER
KRISTOPHER GARCIA
for his achievements at Dermavant!

We're proud to have our own Kristopher Garcia nominated for the LA Business Journal's 2024 CFO award, Emerging Leaders category. His incredible work has been instrumental to Dermavant, and he leads an exception Finance and Accounting team. We look forward to his continued success.

Los Angeles Business Journal dermavant®

© 2024 Dermavant Science, Inc. All Rights Reserved. All trademarks are the property of Dermavant Sciences, GmbH.

LOS ANGELES BUSINESS JOURNAL
CFO
2024 AWARDS

CFOs Explore Solutions to Workforce Challenges

A survey of 500 CFOs, C-suite executives, and managers from a variety of industries demonstrated that almost all business leaders still face hiring challenges, although most hope investments in technology will mitigate workforce needs. Still, most executives predict their organizations will meet or exceed their goals, with 84% of CFOs expecting revenue to grow this year.

OTHER KEY FINDINGS:

• Cost cutting is still a core theme in 2023, as companies prioritize efficiency. However, spending is expected to increase in all areas of business, including: production, sales, marketing and technology.

• Although most executives look to invest in technology, and artificial intelligence usage is expected to expand, opinions diverge with respect to evaluating such investments. There is wider agreement on the importance of factors such as compatibility with existing systems and ease of implementation.

• Business leaders feel pressure from investors and the wider community to prioritize best environmental, social, and governance (ESG) practices.

According to survey respondents, most CFOs, C-suite executives and managers

appeared confident heading into the second half of 2023, despite signals at the time pointing to a potential recession later this year. Fifty-three percent of executives still anticipate that the economy will ultimately expand this year, and only a small 8% minority anticipate the recession will be significant.

The survey set out to gauge respondents' reaction to critical hiring needs. Many anticipate that investments in technology may be part of the solution. More than four in five respondents say reducing human resources needs is an intention of such efforts. Only a smattering of executives strongly disagree that technology investments are meant to gradually reduce headcount.

"CFOs continue to push their companies forward, even amid economic headwinds," said Andy Burt, Managing Director of CFO.com. "While the economy works to stabilize and recover, finance leaders are using this opportunity to balance workforce needs with the commensurate amount of technology, as well as get their arms around the next wave of AI."

Artificial intelligence and the rise of ChatGPT made headlines in the first half of 2023, which mirrors many respondents' keen interest in AI application. More than two-thirds of executives believe their companies' AI usage will increase this year. Other data points agree that executives expect generative AI to have a substantial impact on business.

However, CFOs must continue to be aligned with their teams to not stifle innovation. The survey found that a solid majority of managers — more than three in five — believe executive leadership is hindering their innovative instincts. A third of managers strongly agree with this sentiment. This ultimately may have an impact on management retention. According to the survey, 50% of managers, despite being motivated in their roles, are looking to change jobs in 2023.

> 'CFOs continue to push their companies forward, even amid economic headwinds.'
>
> ANDY BURT
> CFO.com

"CFOs know that the next big idea in growth and operational efficiency can come from anywhere," said Burt. "But it is still incumbent on finance chiefs to actively support and be open to innovation within their ranks, lest they miss the opportunity, and then lose their best talent."

A Leader in Healthcare,
A Leader to Us All

Congratulations to our Chief Accounting Officer, **John Vong**, and all the 2024 CFO of the Year nominees. Your leadership, financial stewardship, and unwavering dedication inspire us every day. Thank you for your commitment to excellence, innovation, and creative solutions.

Astrana Health
astranahealth.com

Astrana Health is a leading provider-centric, technology-powered healthcare company enabling providers to deliver accessible, high-quality, and high-value care to all. Leveraging its proprietary end-to-end technology solutions, Astrana operates an integrated healthcare delivery platform that enables providers to successfully participate in value-based care arrangements, thus empowering them to deliver high quality care to patients in a cost-effective manner.