

STAY IN THE BLACK NEWSLETTER

From Scrappy to Strategic: Upgrading Finance

By Colin Barnhart · 3 Feb 2026 · 5 min read

Every business starts scrappy. That is not a flaw. It is usually a strength.

In the early days, you know every dollar coming in and going out. You can feel cash flow shifts before they show up in a report. A founder, a partner, or an office manager keeps the books moving between sales calls and client work. You stay lean because you have to.

That approach works. Until it does not.

The start of a new year has a way of making this painfully obvious. You are closing the books. You are pulling reports for your accountant. You are answering questions you should not need to answer. And you are realizing how much time this is taking away from running the business.

This is usually the moment when scrappy quietly turns into sloppy.

The scrappy phase works because you are close to the business

In the first few years, most founders run their finances on proximity and instinct. You are so close to the numbers that you can sense when something is off. You might not have formal financial dashboards, but you know which clients pay late, which projects run hot, and which months feel tight.

That closeness is powerful. It lets you move fast without overthinking every decision. It also hides a growing problem.

As the business grows, complexity grows with it. More clients. More vendors. More employees. More decisions that depend on accurate financial information.

At some point, the finger to the wind approach starts to fail. Not because you are doing something wrong, but because the business has outgrown it.

When scrappy turns into sloppy

There is a common pattern I see across all companies.

The people doing the financial work are not finance people. A partner is still approving bills late at night. An office manager is closing the month while juggling ten other responsibilities. You are still the final stop for every question because no one else has the full picture.

The issues show up in small ways at first. Reports arrive late. Numbers do not quite tie out. Year-end finances feel stressful every single year. You spend time explaining the business to your accountant instead of reviewing insights.

The real cost is not the bookkeeping itself. It is the drag on your time and attention.

If finance is slowing you down, it is usually a sign that the system around it has not kept pace with the business.

The myth of the cheaper part-time solution

When founders reach this point, the most common move is to hire a part-time bookkeeper. On paper, it feels like the safe choice. Lower hourly cost. Limited commitment. Someone to take basic tasks off your plate.

In practice, it rarely works the way you expect.

You still answer questions daily. You still triage issues because the bookkeeper does not have the full context. Or it is not "your day" with them. You still act as the translator between operations, sales, and finance. And when something complex comes up, there is no bench to lean on.

The cost comparison also misses the bigger picture. What is your time worth? What about the time your leadership team spends filling gaps? What about the risk of decisions made with incomplete or outdated information?

When you account for that, outsourced bookkeeping from a firm with depth often comes out far more competitive than it looks at first glance.

What strategic finance actually looks like

Upgrading finance does not mean hiring a full team in-house. Most growing businesses do not need that, and it would be overkill.

What they need is coverage across the full capability of a finance team.

That starts with clean, reliable bookkeeping. It extends into reporting that actually helps you run the business. And it reaches into CFO level thinking when you need help with pricing, cash planning, or growth decisions.

This is where a bookkeeping firm paired with fractional CFO support changes the equation.

Instead of a single part-time resource, you get access to a bench of subject matter experts. People who have seen your challenges before. People who can answer questions without routing everything back to you.

The goal is not to replace your judgment. It is to provide you with better input so you can use your judgment where it matters most.

Why the start of the year is the right time to make the shift

If you are feeling this pressure right now, that timing is not random.

The start of the year creates a natural pause. You are wrapping up last year's numbers. You are handing things off to tax professionals. You are already thinking about how this year needs to run differently.

This is one of the easiest moments to make a change.

Any improvements made now can be applied retroactively to January 1. You start the year with consistent reporting. You avoid months of cleanup later. You build financial dashboards that actually reflect how the business operates.

It also lets you separate roles cleanly. Tax experts handle tax. Your finance team focuses on reporting, planning, and decision support. You stop acting as the middleman.

Giving time back to the people who should be growing the business

The biggest win I see when companies move from scrappy to strategic finance is not just cleaner books. It is reclaimed time.

Founders stop answering transactional questions. Partners stop closing the books on weekends. Office managers get back to the work they were actually hired to do.

That time shift creates space for better decisions. You review numbers instead of hunting them down. You spot issues earlier. You plan instead of react.

This is what a part-time CFO or fractional CFO relationship should deliver. Not theory. Practical support that scales with you.

Ask yourself this one question

As you move into the new year, ask yourself something simple.

Is the way you handle finance helping you grow, or quietly slowing you down?

If the answer feels uncomfortable, that is useful information. It does not mean you failed. It means the business is asking for a different level of support.

Setting up the year ahead

Every business earns the right to be scrappy. The mistake is staying there too long.

If year-end finances are eating your time, if reporting feels fragile, or if you are still the hub for every financial question, it may be time to upgrade how finance works in your business.

This moment, right at the start of the year, is one of the best times to do it. You can wrap up last year cleanly, hand off to tax experts, and build a solid foundation for a full year of accurate reporting and real insight.