An effective relationship between a contractor’s CFM and PMs is critical to the company’s success. In fact, it’s not surprising that a strong relationship doesn’t come naturally given the differing backgrounds, education, and responsibilities of each role.

It’s common for PMs to view their CFOs and controllers with some degree of skepticism. After all, when things go wrong on a project, the CFM has to report the problem, find out what the issues are, and ask a lot of questions.

Investing time, energy, and thought into establishing a positive and productive connection with PMs can prove essential to a CFM’s success. Here are some tips for CFMs to develop and strengthen this relationship.

1) Put on Your Hard Hat

There is no better way for a CFM to understand the concerns and abilities of his or her employees than to see them in action. Visiting a jobsite shows respect to your company’s managers, superintendents, and skilled staff. Getting out in the field enables you to talk to PMs about their projects and offer a different perspective. Seeing the jobsite from your point of view allows you to ask your PMs how they are solving problems on the job – and perhaps even provide ideas to assist them.

In many cases, I have been able to help PMs by offering information I have learned. For instance, I can share knowledge about a subcontractor or supplier that my PM may not have worked with previously and can give a “heads up” on someone who may be slow at delivering product or aggressive at pursuing change orders. Communicating this information for a PM’s use in planning can help build a strong relationship and improve a PM’s ability to deliver a project effectively.

2) Establish Trust

Part of a CFM’s role is to demonstrate purpose, integrity, and ethical standards to the entire organization and uphold its moral compass. How employees are treated, contracts are enforced, and
disputes are handled are more than just business decisions; these actions represent a company’s culture and exhibit the ethical center of its management team.

Since PMs are on the front lines with employees, subcontractors and suppliers, and owners and GCs, they must be able to trust that their CFMs can provide them with clear and consistent advice, quality information, and support for their decisions.

3) **Schedule Regular Status Meetings**

What should a PM know about a CFM’s needs? Hold regular project status meetings to help communicate why it’s critical to have certain information regarding a project’s progress and health. Include clear explanations of why certain questions are asked, why certain information is needed, and how that information is used by management and outside parties (e.g., non-management owners, banks, sureties, potential clients).

4) **Talk Less, Listen More**

Effective communication involves speaking or writing in simple and clear language, but there is much more to it. While I do love to talk, listening is the key to communication. Not only do people want to be heard, they also want to be understood.

During project review meetings, it is critical to simply listen to the project team. A PM can often feel that his or her concerns are not being heard by upper management. By listening and asking questions about elements of the project, the CFM can develop a rapport with the PM that improves the overall quality of information gathered.

As CFO of a GC, a valuable part of these review meetings for me is to ask about how particular subcontractors are performing. I will usually ask about those with a history of previous issues or new subcontractors with whom I am not familiar. Showing that kind of interest and respect for a PM’s opinions can be beneficial.

5) **Explain Why Good Data Matters**

Speaking of information, a key area of relationship-building between CFMs and PMs is in financial reporting. Take the time during project review meetings to help your PMs understand the ways in which data is used, and why accuracy is so important.

PMs need to understand that reliable financial information is critical for management, stockholders, banks, and sureties as it significantly affects the CFM’s credibility. Although a CFM’s main goal is to obtain accurate financial information, helping the PM understand the ways in which the data is used and why accuracy is so important can make this a collaborative effort and strengthen the team relationship.

If the information needs of each department are clear, then CFMs can help provide and request the right information from the right employees to help everyone perform their jobs better. Sharing financial information with PMs can help them properly run their jobs, price change orders, and bill projects.

6) **Share Your Tools**

In addition to ensuring PMs understand the “why” for good data, CFMs should take the time to educate their PMs on the “how” of such project aspects as the estimate and job cost report.

**The Estimate**

PMs (particularly those in the early stages of their careers) need to understand how to use the estimate. Each contractor has its own philosophy of estimating and bidding for work; on top of that, estimators often have their own ways of developing an estimate. The PM should have ample explanation of an estimate’s components, as it is a reflection of the estimator’s assumptions of the PM’s needs to execute the project. Without a turnover meeting that shares this information, it is unreasonable to expect a PM to properly control the financial success of a job. Moreover, it is important for the CFM to check, review, and understand it as well to be able to assist the PM.

**The Job Cost Report**

This same approach can be applied to the job cost report. While the job cost report is fairly straightforward for CFMs, that’s not the case for a PM. From my experience, many PMs tend to misunderstand how to use the job cost report – for example, they may not realize that the estimate is not a true projection of the total cost of a line item. Also, in comparing cost to date to the anticipated project costs, the PM should know that those costs will not include items not yet approved or processed into A/P. If you don’t have the bill, then the cost will not be in the system. Often, PMs mistakenly think that an authorized cost or purchase is included in the job cost system.

Reviewing the job cost report with PMs will help them bill more accurately, enable them to better understand their project’s profitability, and act as a path toward developing a better overall relationship.
7) **Talk Tech**

Sharing your technology knowledge is another significant way to improve your relationship with your PMs. Some CFMs are trained to look for technologies to help improve their work processes and accounting information, which in turn can be useful in helping PMs research new technologies, such as project management software, project collaboration systems, and communication tools.

Joining PMs in searches for technology solutions and assisting in their training allows the CFM to be a resource for PMs to help them focus on what they do best.

8) **Lend an HR Hand**

The CFM should make sure that PMs have a solid understanding of company procedures, employee responsibilities, and disciplinary requirements to be able to manage their employees. In addition, periodic review of these practices can help PMs not only quickly make decisions on their jobs, but also reassure them that the CFM (and HR staff) will help them with anything beyond their responsibilities or knowledge.

9) **Keep Calm & CFM On**

When issues negatively impact a project, it is important to approach them with an open mind. Some issues result from misses in the estimate or buyout; some from inadequate planning; others from a poor decision by the manager, superintendent, or other project staff. Taking in data without criticism of anyone involved can open up better dialogue and build trust.

It is also good practice for CFMs to reserve monies for unexpected costs or project loss in the initial reviews with the PM. Since projects typically experience some level of profit fade, factoring in some “protection money” can help lessen the pressure from upper management and help PMs to deliver projects more profitably than initially projected.

All of these practices factor into building a better, stronger team. Your relationship with your PMs can impact your company’s ability to succeed. While team-building exercises can help, regular day-to-day, week-to-week dealings in working together are the real substance of the relationship.

Of course, relationships are two-way. An unreceptive PM may hinder the CFM in developing a strong relationship (or vice versa). Some people may be unable to get past a certain point in working together.

However, providing an open and supportive nature, listening to and understanding PMs’ needs, communicating what you can do to assist them, and looking for opportunities to provide PMs with better tools will go a long way toward optimizing your ability to execute projects and effectively report this information for your company.

---

**Kevin J. Foley, CCIFP**

is CFO of E. Allen Reeves, Inc., a Mid-Atlantic construction management, design-build, and general contracting firm in Abington, PA. He is responsible for all areas of accounting, finance, technology, benefits, and HR. He has been an accounting professional for more than 35 years, with 25 years of experience in the construction field.

Kevin is a graduate of La Salle University and is past president of CFMA’s Philadelphia Chapter. He was honored as “General Member of the Year” for the Chapter in 2010, and is a member of the Executive and Education Steering Committees, the latter of which he was past chairman.

He has presented numerous CFMA courses at both the chapter level and at past Annual Conferences, and will present at CFMA’s 2017 Annual Conference.

Phone: 215-884-2255, ext. 123
E-Mail: kjf@eareeves.com
Website: www.eareeves.com

---

**Real-Life Lesson**

Many years ago, I had the experience of working with a PM who was running a single large project for our company. As he spent a significant amount of time at the jobsite, we often did not see each other in person. I found that he needed a fair amount of support from accounting and tended to act as if this project was the company’s only one.

By spending some time meeting with him and his staff at his jobsite, sharing data as promptly as I could obtain it, and openly communicating what I could and couldn’t do at certain times, we developed a good relationship. Being able to provide useful information to this PM enabled him to create change orders that ensured his project would grow and that he could be recognized by management for his effectiveness in delivering his project.