



BUSINESS PLAN · INDIA

Virtual / Fractional CFO Firm

CFO-as-a-service: MIS, cash, fundraising & strategy for India

FINANCE

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

August 2026

This document is confidential and prepared for planning purposes. All financial figures are illustrative model assumptions for an Indian MSME context and must be validated against live quotes, local rates and professional advice before any investment or borrowing decision.

1. Executive Summary

This plan sets out a **Virtual / Fractional CFO Firm** in India — providing outsourced, part-time chief-financial-officer services to startups, MSMEs and growth companies that need senior financial leadership but cannot yet justify a full-time CFO. Services span MIS and board reporting, budgeting and forecasting, cash-flow and working-capital management, fundraising and investor readiness, financial modelling, unit economics, and finance-function build-out.

India's startup and MSME boom has created thousands of companies that have crossed the bookkeeping stage but lack strategic finance. A fractional CFO gives them boardroom-grade financial leadership at a fraction of a full-time cost — a high-value, sticky, retainer-based service with strong referral dynamics from investors, banks and accelerators.

The promoter — an experienced finance professional (CA / MBA-Finance / ex-CFO) — seeks total funding of **₹8.0 lakh** (₹3.5 lakh promoter + ₹4.5 lakh term loan, eligible under PMMY-Mudra / CGTMSE), targeting **₹48 lakh** revenue in Year 1 and **₹1.2 crore** by Year 3.

2. Business Description, Vision & Legal Structure

Concept: A "CFO-as-a-service" firm that plugs senior finance leadership into growing companies — owning their numbers, cash, investor story and financial decisions on a part-time retainer.

Vision: To be the finance backbone behind a portfolio of the region's fastest-growing companies.

Mission: Give every client CFO-grade clarity on cash, unit economics and strategy — and the investor-ready financials to fund their growth.

Legal structure options

- **LLP** — recommended: limited liability, credibility with investor-backed clients, easy partner addition.
- **Private Limited** — if scaling aggressively or raising capital for the firm.
- **Proprietorship** — acceptable for a solo start, but LLP is preferred for this positioning.

Positioning note: VCFO is an advisory service, not an attest service — no audit sign-off is involved. Where statutory audit or certification is needed, the firm coordinates with the client's auditors. This keeps the model scalable and unrestricted by attest licensing.

3. Promoter & Ownership

Led by a senior finance professional with CFO/controllership experience and fundraising exposure. Delivery uses a leverage model — the lead CFO sets strategy and attends boards, while trained analysts prepare MIS, models and reports. Year-one ownership rests with the founder(s); associate CFOs and analysts are added as the client portfolio grows. Ownership and profit-sharing are editable inputs.

4. Market Analysis — India

The fractional-CFO market is young, fast-growing and under-served. A large cohort of funded startups and scaling MSMEs needs strategic finance well before they can hire a full-time CFO (a ₹40-80 lakh/year cost). This gap — between needing financial leadership and being able to afford it in-house — is precisely what the fractional model fills, and awareness is rising quickly among founders and investors.

Demand drivers

- **Startup & MSME growth:** thousands of companies crossing ₹1–50 crore revenue needing board-grade finance.
- **Investor expectations:** VCs and lenders demand robust MIS, models and governance — often a funding condition.
- **Cost arbitrage:** fractional CFO at ₹40k–1.5L/month vs ₹40–80 lakh/year for a full-timer.
- **Fundraising cycles:** data rooms, models, and investor decks create high-value project spikes.
- **Complexity:** multi-entity, ESOPs, cap tables, cash burn and unit economics need expert hands.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Funded startups + scaling MSMEs in India needing strategic finance	1,50,000+ firms
SAM	Growth companies in the firm's city/ecosystem reachable for VCFO	3,000–8,000
SOM (Yr 1–3)	Retainer clients served (portfolio)	8 → 24 clients

Target segments

- Funded / bootstrapped startups needing MIS, burn control and fundraising support.
- Scaling MSMEs professionalising their finance function.
- Companies preparing for a raise, acquisition or lender diligence.
- Founders needing part-time finance leadership without a full-time hire.

5. Competition & Competitive Advantage

Landscape: other fractional-CFO firms and freelancers, boutique consulting/accounting firms adding advisory, and full-time hires. The market is nascent and relationship-driven; the edge is the calibre of the CFO, the quality of the outputs, and outcomes (funds raised, cash extended, margins improved).

The firm's edge

- **Senior, credible CFO leadership** that founders and boards trust.
- **Investor-grade deliverables** — models, decks and data rooms that stand diligence.
- **Outcome focus** — cash runway extended, unit economics fixed, funding closed.
- **Leverage model** — analysts execute under CFO review, keeping quality high and cost efficient.
- **Ecosystem access** — investor and lender relationships that help clients raise.

6. Services & Pricing

Service	Model	Indicative fee (₹)
Core VCFO retainer (MIS, cash, board, advisory)	Monthly	40,000–1,50,000/mo
Lite retainer (MIS + reviews)	Monthly	20,000–40,000/mo
Fundraising support (model, deck, data room)	Project (+ optional success fee)	1,50,000–6,00,000
Financial model / three-statement build	Project	50,000–2,00,000
Finance-function setup (systems, controls, hiring)	Project	75,000–3,00,000

Due-diligence readiness / investor MIS	Project/retainer	50,000–2,50,000
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High-ticket monthly retainers provide predictable recurring revenue; fundraising and setup projects add premium surges, sometimes with success-linked upside.

7. Go-to-Market — Marketing & Sales

- **Investor & accelerator networks:** VCs, angel networks and incubators refer portfolio companies needing finance help — the highest-quality channel.
- **Banker & lender referrals** for companies needing MIS and diligence readiness.
- **Thought leadership:** LinkedIn content and founder-community talks on burn, runway and fundraising.
- **Warm founder referrals** from delivered outcomes — the strongest growth engine.
- **Selective partnerships** with law firms, CAs and startup-service providers.

Sales approach

Consultative: diagnostic call → finance-health assessment → scoped retainer/project proposal → onboarding. Deals close on trust and demonstrated expertise; target 1–2 quality retainer wins per month, building a curated portfolio rather than a high-volume book.

8. Operations Plan

- **Location:** a lean office or hybrid/remote setup; delivery is largely virtual with periodic on-site/board presence.
- **Delivery model:** each client has a lead CFO + analyst pod; standardised MIS packs, model templates, board-deck formats and a monthly close-and-report cadence.
- **Technology:** financial-modelling tools, BI dashboards, accounting-system integrations, and a client reporting portal.
- **Quality:** CFO review on every deliverable; templated but tailored outputs; documented assumptions.
- **Capacity:** a lead CFO can carry 4–6 retainer clients with analyst support; scale by adding CFO-analyst pods.

Monthly client cadence (the delivery rhythm)

Activity	Frequency	Output
Financial close & MIS pack	Monthly	Dashboard + commentary
Cash-flow & runway review	Weekly/Fortnightly	13-week cash view
Board / investor reporting	Monthly/Quarterly	Board deck + MIS
Forecast & budget review	Quarterly	Updated model
Strategic / fundraising work	As needed	Model, deck, data room

9. Regulatory, Licences & Compliance (India)

- **Business registration:** LLP/Pvt Ltd (preferred) or proprietorship; MCA incorporation.
- **Udyam (MSME)**, PAN/TAN, **GST registration** (fees attract GST), professional tax and Shops & Establishments as applicable.

- **Engagement governance:** clear scope, confidentiality and IP clauses; independence from attest work; SEBI-adviser boundaries respected (VCFO does not provide regulated investment advice).
- **Data protection** aligned to the DPDP Act; secure handling of sensitive client financials and cap tables.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Founder / Lead CFO	1	1	1
Associate / Fractional CFO	0	1	3
Finance Analyst	2	4	6
Admin / Ops	0	1	1
Total	3	7	11

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0-1	LLP, templates, tools, first analyst; positioning & network
Launch	Month 1-4	First 4 retainer clients; MIS & board cadence live
Traction	Month 4-9	8 retainers + first fundraising project; break-even
Scale	Year 2	Second CFO pod; success-fee raises closed
Growth	Year 3	24-client portfolio; multi-pod firm; sector focus

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions for an Indian context, shown so the promoter can replace them with live rates. They are not projections of guaranteed results.

12.1 Project cost & means of finance

Capital requirement	₹
Office / setup & furniture	1,50,000
Computers & peripherals (3)	1,80,000
Modelling, BI & software tools	80,000
Branding, website & positioning	70,000
Deposits & pre-operative	90,000
Working-capital buffer	2,30,000
Total project cost	8,00,000
Promoter contribution	3,50,000

Term loan (Mudra / CGTMSE)	4,50,000
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12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Retainer revenue	36,00,000	66,00,000	90,00,000
Fundraising & project revenue	12,00,000	22,00,000	30,00,000
Total revenue	48,00,000	88,00,000	1,20,00,000
Salaries & delivery team	24,00,000	44,00,000	60,00,000
Rent & utilities	3,00,000	3,60,000	4,20,000
Software & subscriptions	2,40,000	3,40,000	4,40,000
Marketing & BD	2,40,000	3,40,000	4,40,000
Admin, travel & misc	3,20,000	4,60,000	6,00,000
Interest on term loan	50,000	36,000	20,000
Total expenses	35,50,000	59,36,000	79,20,000
Net profit (before tax)	12,50,000	28,64,000	40,80,000
Net margin	26.0%	32.5%	34.0%

12.3 Unit economics & break-even

- **Average retainer:** ~₹50,000/client/month; a lead CFO+analyst pod profitably carries 4–6 clients.
- **Break-even:** ~8 retainer clients (plus modest projects) — reached around month 8–9.
- **Stickiness & LTV:** deeply embedded in client finance; long tenures and high referral value; fundraising success fees add upside.

12.4 Projected Cash Flow — Year 1 (quarterly, illustrative)

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	2,30,000	1,70,000	2,45,000	3,80,000
Collections	7,20,000	10,80,000	13,80,000	16,20,000
Operating outflows	7,40,000	9,65,000	12,05,000	14,20,000
Loan EMI	40,000	40,000	40,000	40,000
Closing balance	1,70,000	2,45,000	3,80,000	5,40,000

High-value retainers make cash flow strong once the portfolio fills; the buffer covers the ramp while the first pods are onboarded.

12.5 Key Performance Indicators to Monitor

- **Portfolio:** retainer clients; revenue per client; pod utilisation (clients per pod).

- **Outcomes:** funds raised for clients; runway extended; margin improvements delivered.
- **Retention:** client tenure; churn; net revenue retention.
- **Mix:** recurring vs project revenue; success-fee contribution.

13. Funding Requirement & Bankability

Total ask: **₹4.5 lakh term loan** against ₹3.5 lakh promoter contribution — eligible under **PMMY (Mudra)** and coverable under **CGTMSE**. Year-1 net profit ~₹12.5 lakh against annual debt service of ~₹1.6 lakh gives a **DSCR above 3.0**. The high-value recurring retainer base makes the firm attractive to lenders.

14. Risk Analysis & Mitigation

Risk	Mitigation
Client concentration (few high-ticket clients)	Diversify portfolio; annual engagements; broaden referral sources
Key-person dependence on lead CFO	Build associate CFOs and pods; document methods and templates
Startup client churn / down-cycles	Mix startups with steadier MSME clients; lite-retainer options
Scope creep / expectation gaps	Tight scoping, clear deliverables and change-control
Confidentiality / data risk	NDA's, access controls and DPDP-aligned handling of financials

15. SWOT Analysis

Strengths High-ticket recurring revenue; strong margins; sticky, embedded relationships; premium fundraising upside.	Weaknesses Key-person dependence; client concentration; requires senior credibility to sell.
Opportunities Under-served, fast-growing market; investor referral flywheel; multi-pod scale; sector specialisation.	Threats Funding-winter cycles affecting startup clients; competition from boutiques and freelancers.

16. Recommended AiSevak Tools for This Business

This firm would use AiSevak's Finance vertical advisory tools heavily in client delivery:

- **Reporting & MIS:** Virtual-CFO Report, KPI Dashboard, Investor MIS, Board Deck, Margin Analyzer.
- **Planning & cash:** 13-Week Cashflow, Budget & Forecast, Scenario Planner, Unit Economics, Burn & Runway, Break-even.
- **Fundraising:** Cap-Table, Dilution Modeller, ESOP Designer, SAFE Conversion, FMV Valuation, Fundraising-Readiness, Model Reviewer.

17. Key Assumptions & Notes

- ~8 retainer clients in Year 1 growing to ~24 by Year 3, plus fundraising/setup projects.
- Average retainer ₹50,000/month — replace with local pricing and client mix.

- Term-loan interest ~11% p.a., 5-year tenure; adjust to sanctioned terms.
- Figures exclude GST on fees (pass-through) and any success-fee variability; promoter remuneration is an editable input.

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No signup needed to explore; each tool guides you step by step.

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