

Beck gets startups running

BY MARY DUAN

PRAGMATIST:
John Beck looks after finances at a stage when young companies need to worry more about their growth.

John Beck does business on a handshake basis. “When I engage with a client, I don’t have a contract. I look them in the eye and say, ‘This is the way I work, this is my rate and I expect you to pay me. I know when you’re out of cash,’” Beck said. “There’s nothing added to the business relationship for me by that piece of paper. I provide a service, and if they don’t like that service, then I’m done.”

CFO for Hire Runner Up

A CFO for hire, the 52-year-old Beck focuses mostly on venture-backed startups. He takes care of the accounting and finance side of the equation at a time when the company needs to focus more on its product and business plan. He spent more than 25 years in public accounting and in finance positions for companies around Silicon Valley before joining a consultancy in 2004.

Then in 2007, Beck joined his sister-in-law and brother-in-law, Sofia and Bob Widgren, both of whom are Enrolled Agents, to form BeckCFO. Currently Beck acts as CFO for seven companies and works with two others on a project basis. For six other companies, he is on call as needed.

When he begins working with a company, Beck might recommend it hire an office manager, and will then provide a controller or an accounting manager a few days a month while he prepares the company’s executives for board meetings. He helps finesse their financial relationships and deals with the issues of insurance, investments, banking and borrowing capacity.

“When you have three people with X dollars from a VC firm, and they just have 18 months of money to spend and have to grow to 25 people in that time, they need to focus on executing their business plan, and their engineers and tech types have to focus on innovation,” Beck said. “Bringing me in lets the companies focus on what they have to focus on, and lets them and the VCs sleep at night.”

When a company gets funded, Beck provides it with a detailed financial plan “so they know when they’re going to run out of cash,” and helps determine the milestones needed before more funding should be sought. When it’s time to do that, Beck takes a company through the process of getting proposals from multiple venture lenders, helps it evaluate the best proposal for its situation and then uses that information to negotiate the best deal possible.

Hugh Sharkey, an investor specializing in medical products who has seven startups under his belt, first met Beck when Beck filled the interim CFO position at his previous company, CardioKinetix Inc. Now Beck is also working at Sharkey’s latest company, AEGEA Medical Inc. AEGEA raised its Series A funding in March.

“My board is made up of very seasoned venture capitalists, and when John first presented to the new investors after closing Series A, they were very complimentary. One of them said, ‘I wish I could get my other companies to put stuff together in this format,’” Sharkey said.

Another client, Aquantia Corp., is a venture-backed semiconductor company driving 10GE into the mainstream. Aquantia president and CEO Phil Delansay worked with Beck since the company closed its Series A funding in 2005.

“Even though he’s paid by the company, he does a good job of staying independent, and that’s useful and important. It’s really hard to find a rent-a-CFO who really cares and is professional and asks the tough questions, and it’s really a pleasure working with him,” Delansay said.



VICKI THOMPSON