

# Finance transformation helps a Midwestern not-for-profit expand its mission to fight hunger.

## Topics

Outsourced Finance &  
Accounting Finance &  
Accounting Transformation

## Industry

Nonprofit

## Team Size

1 Principal, 1 Senior Director,  
1 Senior Associate

## Duration

6 Years; several projects

## Situation

“No money, no mission” is a common saying in the not-for-profit world. So, when a growing Midwest not-for-profit faced opportunity to expand its mission by merging two other entities into its business and expand its facilities with a large capital investment, it needed the means to make sure that every dollar from its generous donors was effectively furthering its mission.

The company had been outsourcing all of its accounting to on an outside firm, but continued growth and the looming mission-expanding opportunities were quickly outstripping the outside firm’s capability. Management and the board needed better financial insights to oversee an expanding budget, and the capability to provide grantors and donors transparency on the impact of their funding. They knew the time had come to build an internal finance function and invest in their own financial system, but they also knew this required expertise beyond their team.

Client needed their own financial system selected and implemented as well as accounting policies and procedures developed for their newly created in-house operations, which included a Growth Operators Controller and Director of Finance. All month-end workpapers--including reconciliations and checklists--needed to be built from scratch as the former accounting team did not have adequate record keeping.

The Client was \$8M organization, however, it expanded operations through contracts, two mergers, and a large capital asset purchase to be at \$18M in 2020. Growth Operators was able to supply the necessary resources to meet those growth needs, from due diligence reports to ROI analysis to the budget and forecasting.

## Execution

The not-for-profit company engaged Growth Operators to provide outsourced finance & accounting services while it built its own team, and to advise the company on the mergers and new system implementation. Our three-person Growth Operators engagement team:

- Conducted financial due diligence on the target entities for both mergers
- Prepared pro forma ROI analyses for all capital asset purchases
- Developed a capacity planning model for inventory in the company's expanding facilities
- Prepared detailed budgets and forecasts for 20 different funds
- Handled all financial reporting for the entity and funds
- Developed standard accounting processes and policies
- Created a process to reconcile all accounts and funds at month end
- Shortened the month end close process from six weeks to nine days
- Shortened field work for the annual financial statement review from seven days to three days

## Result

By engaging Growth Operators, this not-for-profit was able to build an in-house finance function from the ground up. It now has insightful financial information from its own team, processes and systems that empowers it to make decisions with confidence and proudly show its benefactors the impact of their generosity.

Their board and management team entrusted Growth Operators to help them build an internal finance capability to support their expanding mission. Their annual operating budget has since grown from \$8 million annually to over \$18 million. They now provide nutritious food to strengthen communities and reduce hunger across 32 different counties in the Midwest.

Knowing they trusted us makes us grateful. Knowing we helped them makes us proud. When a mission is that important, "no money" is simply not an option.