

# Transforming finance and accounting for a high growth office equipment business.

## Topics

Outsourced Finance &  
Accounting Private Equity  
Services Transaction Services

## Industry

Business Services

## Team Size

2 Principals

## Duration

6 Months

## Situation

A lower middle market private equity firm acquired an office equipment and services business from its original founders. As is often the case with founder-owned businesses, the company's finance and accounting capabilities needed to be upgraded to satisfy the needs of the new PE sponsor.

Shortly after being acquired, the company completed a tuck-in acquisition, adding further complexity. Needing much more robust finance and accounting capabilities quickly, the PE sponsor introduced Growth Operators to the company who engaged us to take their accounting and finance capabilities to the next level.

- Perform Interim finance and accounting services post-acquisition
- Perform a Quality of Function (Q of F) gap analysis, present to management, and assist with implementation
- Provide operational financial assistance with tuck-in acquisition and post-acquisition integration
- Assist with post-close transition to permanent CFO/Controller
- M&A support

# Execution

Growth Operators kicked off the engagement by performing a Quality of Function Review (“Q of F”) of the company’s existing accounting and finance capabilities using our proprietary BIG-6 Diagnostic Tool. Our review produced a detailed gap analysis of the company’s existing capabilities compared to best practices, from which we identified numerous process improvement opportunities.

Working with management and the PE sponsor, we prioritized those process improvements and developed a workplan to transform the finance and accounting function and worked alongside the management team to implement the following improvements:

- Created and developed a full monthly GAAP reporting package including balance sheet, income statement, cash flow, loan compliance, and other supplemental information
- Developed and implemented a weekly flash report including weekly sales, month-to-date sales, and year-to-date sales with comparisons vs. plan and vs. prior year.
- Developed additional weekly sales performance metrics and KPI’s for each sale including customer detail, size of transaction, sales rep, and other info. This was an integral tool for the PE sponsor and senior management to understand performance and drive key sales team behaviors
- Served as an Interim CFO for the company until transitioning responsibilities to a full time CFO/Controller
- Led the finance and accounting integration for the tuck-in acquisition of a competitor. Handled the consolidated financial reporting and created combined chart of accounts
- Prepared the annual budget for the consolidated entity

# Result

PE sponsors often lament that a newly acquired portfolio company’s under-developed finance & accounting function hinders performance and makes governance a challenge. They bemoan the time and laboriousness of recruiting a strong full-time CFO to the company and the opportunities lost while they do.

Knowing time was of the essence, this PE sponsor charged its newly acquired management team to quickly turn a limitation into an advantage by engaging Growth Operators. Our expertise in finance & accounting transformation and roll-up-our-sleeves workstyle converted the company’s finance function into a strong platform that enabled the company to make a strategic acquisition, and empowered management, the PE sponsor, and board to make key financial decisions and complete with confidence.