

# Finding repeatable success with Growth Operators' Quality of Function (Q of F) process

## Topics

Finance & Accounting Transformation

## Industry

Consumer & Retail

## Team Size

2 Managing Directors

## Duration

3 Months

## Situation

A private equity firm in the middle of an acquisition receives some concerning findings on their Quality of Earnings (Q of E) report of the target company. It is known that Q of E reports often show the symptoms of a problem, but don't provide information on the root cause or recommendations on how to fix the problem. Looking for solutions, the Private Equity firm engages us to uncover the root cause of the issues using the Growth Operators® Quality of Function process. From our work, it was clear that the company's finance and accounting capabilities lacked the rigor needed to meet the expectations of the private equity firm or provide quality financial statements.

## Execution

As part of the engagement, Growth Operators performed the following scope of work:

- Understand the aspects (processes, systems, and people) that touch the financial data using the framework of our Quality of Function (Q of F) gap analysis
- Using the findings obtained in the interview work, develop the start of process and data flow documentation that did not exist prior for management

- Rank the importance of each aspect in a scorecard along with a rating of performance to the best practice
- Present these findings to the Private Equity firm and management with recommendations
- Assist with the implementation of the prioritized recommendations

## Result

- The Private Equity firm appreciated getting a deliverable that spelled out in black and white what was causing the concerns in a way that allowed them to make next step decisions.
- The Private Equity firm could confidently walk into the acquisition knowing what needed to be addressed and prioritized in their first 100 days. Our framework dives into everything from KPIs, where weaknesses are in reporting, even what type of controller they needed to hire.
- For this Private Equity firm, engaging Growth Operators® is a repeatable process that is now their best practice.