



# Case Study: FORWARD Program

## Transitioning the Finance Function to a Highly Levered Environment

### **CHALLENGE:** Finance Function Upgrades Needed Post-Acquisition

- A private equity fund acquired a manufacturer/distributor that lacked the formal financial management or a monthly close process required to comply with cash flow, financial reporting, and debt covenant requirements in a timely manner
- An initial attempt with a staffing firm failed to provide the appropriate level of talent.
- The private equity fund needed to obtain a final working capital report in two weeks and a first-time audit report in less than 90 days, or incur financial debt covenant violations and penalties

### **SOLUTION:** On-the-Ground Financial Transition Oversight

- CMF mobilized a team of two on the ground within five business days of approval to proceed.
- The CMF team took charge of the CFO/Controller function, quickly accessed the situation and implemented the action and resource plan needed to meet all financial deadlines, including:
  - Completing year-end close including all GAAP adjustments
  - Completing detailed inventory compilation and valuation of year end inventory accounts
  - Coordinating and facilitating independent auditors for timely completion of first audited financial statements
  - Completing Jan. – Mar. monthly accounting closes

### **OUTCOME:** Short-Term Compliance, Long-Term Improvements

- CMF submitted working capital calculation and all financial debt covenants on time and in accordance with all transaction and debt documents.
- CMF implemented a documented and sustainable monthly accounting close process.
- The CMF team executed a smooth transition to a permanent financial team within 120 days, and the full-time CFO started, from day one, playing “offense” with actionable information.

### **CMF ASSOCIATES, LLC**

CMF provides financial consulting, M&A advisory, financial executive search, and interim staffing solutions to private equity, middle-market and small cap public companies. Key services: interim and full-time CFO/controllerships, financial due diligence, post-transaction transitions and integration, turnaround management, preparation for sale, and acquisition search.

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## Answers with Impact

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