



Case Study: Interim CFO Support

Financial Transition for a “Carve Out”

CHALLENGE: Lacked CFO After Spin-Off/PE Buyout

When a national consumer products entity was spun off from a conglomerate in conjunction with a leveraged buyout by a private equity firm and the management team, its executive team did not include a CFO.

The President, CEO and private equity firm approached CMF to provide an interim CFO experienced in the following:

- Private equity buyouts and purchase accounting
- International accounting and foreign currency
- Operational accounting/financial reporting
- Consumer product manufacturing and retailing
- General management

SOLUTION: Quick, On-the-Ground Financial Leadership

CMF’s interim CFO support included the following projects and deliverables within 90 days:

- Managing overall global finance operation and transitioning from seller
- Establishing the opening balance sheet position and regular reporting format
- Documenting existing business processes and identifying areas for improvement
- Creating a “roadmap” for the new CFO to quickly get up to speed and impact operations and cash flow, and transitioning knowledge to him

OUTCOME: Smooth Transition to Permanent CFO

In 90 days, our interim CFO:

- Developed stand-alone functions for 90% of finance group activities
- Completed opening balance sheet and post-closing adjustments with the seller
- Managed Big Four auditors review and established comfort with purchase accounting
- Established a weekly/monthly reporting format
- Compiled comprehensive flowchart and narrative systems descriptions
- Recommended changes to existing business processes/staffing with estimated cost savings >\$1.0 million
- Established line of credit
- Successfully transitioned to the permanent CFO, trimming orientation by eight weeks

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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