



Leveraging the “As-A-Service” Model in Finance:

National not-for-profit gets experienced
financial leadership and 80% reduction in
debt with outsourcing

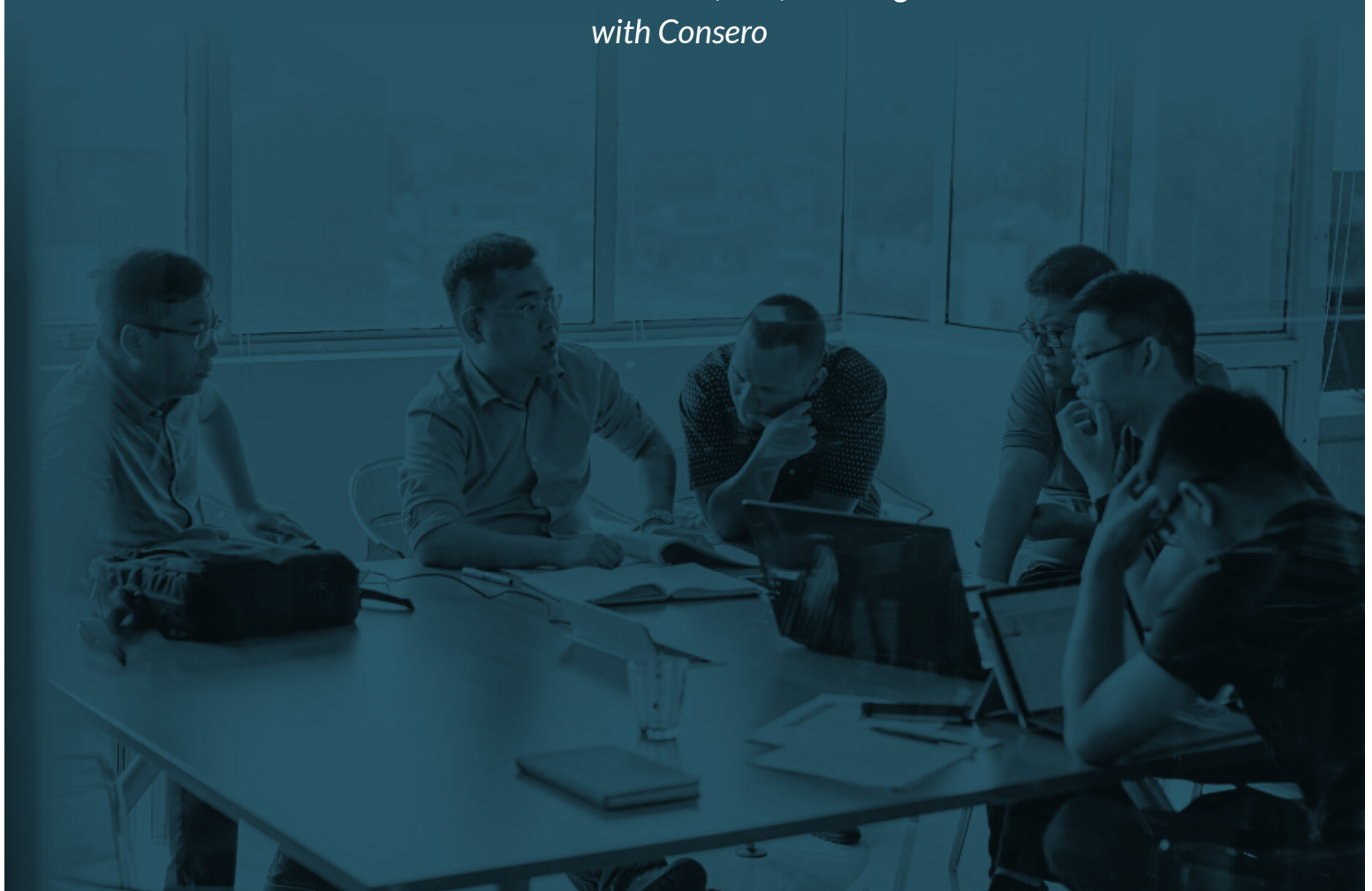


CONSERO

Financial clarity and efficiency made easy

CONTENTS

- 1 *The Situation*
- 2 *Consero Offers a Clear Pathway to Better Outcomes Through Outsourced Accounting Services*
- 4 *A Smooth Handover of Data and the Start of More Successful Operations*
- 5 *The Benefits of Working with Consero*





THE SITUATION

The Association of Latino Professionals For America (ALPFA) is a nationwide organization with more than 81,000 student and professional members, along with many local chapters. ALPFA's mission, "to empower and develop Latino men and women as leaders of character for the nation, in every sector of the global economy," means there's plenty of work to be done to support students and active professionals alike. Although ALPFA is a nonprofit organization, it still needs to operate as a business – with goals of avoiding substantial ongoing debt and maximizing its use of available resources – to succeed in its mission.

Before contacting Consero, ALPFA faced a number of significant financial and accounting challenges, some of which developed over time and were seen as difficult to control or mitigate. Those issues included:

- ◆ Significant, long-term debt in the seven-figure range.
- ◆ A lack of a strategic CFO to manage financial needs.
- ◆ A small group – just a controller and three staff members – that didn't have all the qualifications to handle accounting needs.
- ◆ Recurring mistakes and errors in accounting activities.
- ◆ No budgeting nor profit and loss statements made on the individual chapter level.
- ◆ An inability to regularly close their books.
- ◆ An overall negative cash flow situation.
- ◆ No stable financials to show potential donors through IRS form 990.
- ◆ A tradition of in-house accounting that required a major change in mindset to overcome.

CONSERO OFFERS A CLEAR PATHWAY TO BETTER OUTCOMES THROUGH FINANCE AS A SERVICE

Smart decision making and conscientious action by the ALPFA board were the triggers the organization needed to identify ways to substantially improve accounting and other financial responsibilities. In an effort to advance the organization and modernize its finance and accounting functions, the

ALPFA board began a search for a competitive, cost-effective Finance as a Service partner. Chief among their requirements for this new relationship were that the partnership provide strong value and enable the organization to succeed in building a more sustainable financial future.

"It's a big shift in mindset to be comfortable with people doing work offsite, but the way we are today with technology, it makes a lot of sense to consider outsourcing components, especially related to financing and accounting."

Gabe Rodriguez

TREASURER AND FINANCE COMMITTEE CHAIR FOR ALPFA'S BOARD OF DIRECTORS; GLOBAL FINANCE DIRECTOR AND U.S. FIRM ASSISTANT CONTROLLER AT ERNST & YOUNG LLP





Rodriguez and Ixchell Duarte, a fellow finance committee board member, sought approval from the board to seek out an accounting outsourcing partner. The clear benefits of outsourcing with a Finance as a Service model made it an easy decision for the board. Those benefits included:

- ◆ Improved financial and accounting leadership.
- ◆ More timely and accurate financial reporting.
- ◆ Additional industry connections.
- ◆ Enhanced operational expertise for not-for-profits.
- ◆ Modern and efficient software to support operations.
- ◆ Cost savings.

With Selene Benavides, ALPFA's CFO and interim COO, finding a top-notch partner was a relatively simple affair; she's also the Client Finance Director at Consero.

"The whole board has been incredibly grateful to Consero and Selene for helping to bring the organization to a much better place than it had been before," Rodriguez said.

A SMOOTH HANDOVER OF DATA AND THE START OF MORE SUCCESSFUL OPERATIONS



Consero did the heavy lifting to go through all relevant financial documentation, engaging in necessary data mining efforts and establishing a proper and complete transfer of information. Aided by the in-house finance team, Consero executed a complete, successful transition in a short amount of time - under four months. The immediate changes realized included, but weren't limited to:

- ◆ Improved daily bookkeeping.
- ◆ A stable, secure digital platform for more quickly handling tasks like:
 - Approving invoices.
 - Reviewing bank reconciliations.
 - Tracking current data related to P&L, cash flow and much more.
- ◆ Real-time insight into financial standing.
- ◆ A wealth of current and accurate data.
- ◆ Controls in place to manage and monitor cash flow.
- ◆ Improved historical perspective.

"It's a one-stop shop," Rodriguez said. "It's incredibly beneficial to us. It's why we've been able to improve the financial condition of the organization over the last three years."

As a small nonprofit, it was difficult in the past for ALPFA to consistently recruit and retain top-level talent. That issue contributed to a number of other financial and accounting problems. With the Consero partnership in place, consistency, accuracy and insight all improved.

"It's a fraction of the cost and you get top talent," Rodriguez said. "Folks who have the experience and expertise can serve as a trusted business advisor."

Additionally, ALPFA knows Consero can scale along with them as the nonprofit grows, providing consistency and stability for a core business function.

THE BENEFITS OF WORKING WITH CONSERO

With Benavides taking an active role in helping ALPFA with on a number of complicated financial tasks, from initial negotiations with debt-holders to developing non-interest-bearing payment plans, the nonprofit quickly saw how working with Consero improved their financial stability and long-term outlook for profitability. There were a host of other notable advantages, including:

- ◆ Cash in the bank.
- ◆ A 80 percent reduction in debt.
- ◆ An IRS form 990 that demonstrates the organization's fiscal health and responsibility, which is invaluable in attracting outside donations and supporters.
- ◆ Real-time cash forecast capabilities.
- ◆ Faster vendor payments and expense reporting.
- ◆ Collecting on outstanding receivables far more quickly, with vital assistance from Benavides in this regard.
- ◆ Improved age of payables.
- ◆ Expense reimbursements for individual chapter volunteers in 2-3 weeks or less, instead of 2-3 months.
- ◆ Improved interactions and relationships with outside auditors.
- ◆ A monthly finance cadence that includes complete reporting, as well as quarterly board reporting.
- ◆ Enhanced cash management.
- ◆ Improved containment and reduction of expenses.
- ◆ Three years in the black after many spent in the red.
- ◆ Debt steadily paid down in an organized way, clearing a path to profitability.

"The change from in-house to accounting outsourcing has transformed the current financial reality and future outlook for ALPFA," Rodriguez said. "With increased visibility into accounting information and financial changes that led to increased revenue, we are finally on sure footing." Today, the organization is moving toward a position of profitability that will allow for improved operations, increased scholarships and many other benefits for members, volunteers and the organization as a whole.

"We're excited about where we are and where we'll be in a year from now," Rodriguez said.



CONSERO

Financial clarity and efficiency made easy

+1 (866) 588-0495

www.conseroglobal.com