

CONSERO AT WORK

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CONSERO

Financial clarity and efficiency made easy



PELITAS

Case Study

The private equity firm Tritium Partners tapped Consero Global before hiring a full-time portfolio company CFO, so when the ideal candidate came along, he could focus on strategic initiatives immediately.

Private equity investing isn't for the faint of heart. A lot of firms built their reputation on rescuing enterprises from the brink and leaving those businesses stronger than ever before. Even GPs who target high-growth businesses will focus on those struggling to manage that success. Those fees and carried interest are based on their ability to see untapped potential and execute a plan to realize it.

Tritium Partners saw a lot to like in PELITAS, a rapidly growing, healthcare SaaS company that created industry-leading solutions for increasing cash and cultivating patient loyalty at over 200 hospitals and ambulatory locations. It was launched by co-founders that had built a great solution platform, but who eventually realized they needed a partner to build a management team and take the business to the next level. Tritium was a great fit for PELITAS because they focus on high growth businesses where they can collaborate with talented management teams and founders to guide their companies to new heights.

Tritium identified an enormous amount of potential for the company, but some facets of the business needed to be upgraded to match its growth, including its finance and accounting function. They wanted to hire a new CFO, but they also knew any initiative could be hobbled if its books weren't in order first.

“We hired Consero for its outsourced finance-as-a-service solution, because they provided us leverage to immediately upgrade our finance function without hiring a large back-office team,” said Chris Steiner, Principal of Tritium Partners. “Consero’s capabilities allowed us to focus on the rest of our 100-day plan, with the confidence that our basic finance function would be handled properly.”

PELITAS had a great offering, but its finance and accounting capabilities needed more sophistication to support the anticipated growth. Consero brought scalable systems, teams and processes to the business and began producing GAAP-compliant, audit friendly financials. Consero helped PELITAS through its conversion to accrual-accounting, its first audit and the establishment of its credit facility, all before there was a permanent CFO in place.

Roughly a year after Tritium invested in PELITAS, the new CEO hired Donald McClure as the full time CFO. Prior to this, McClure was the VP of Corporate Development and FP&A at Brinks Home Security, where he helped execute a successful \$2.0 billion restructuring, several refinancing efforts totaling \$1.9 billion, and \$575 million of strategic acquisitions. "I started my career on the finance side and with a background in investment banking and then FP&A, rather than accounting, so I was glad to see Consero would be handling the basics when I arrived," says McClure. "It would have taken me significant time, and a much bigger budget to get a finance team set up in-house."

McClure explains that PELITAS appreciated his more strategic orientation, and with Consero in place, the company didn't need to hire a CFO based on their ability to build the finance function from scratch. During his first few months with PELITAS, McClure did some minor customization to the process and procedures, but Consero's platform was flexible so it was only a matter of refining. "I didn't need to hire, train and manage the staff. I could just focus on learning the business and our key deliverables without having to be distracted with personnel matters."

It also meant that McClure didn't face any major hiccups during his first few weeks at the helm. "Consero was able to close the books and provide the reporting on time that first month I was there, rather than having a process that dragged into some 45-day struggle because it was being implemented for the first time," says McClure.

By letting a new CFO step into an existing system that works, McClure's time could be focused on more value-added strategic analysis and execution, not just getting the finance function merely up and running. And Consero's outsourced Finance-as-a-Service model may prove resilient even in the roughest waters.



“Consero’s leadership was really ahead of the curve when it came to their response to COVID-19,” said McClure.

“Well before the widespread shelter-in-place orders, they had the team working from home and provided clients with frequent updates on plans and procedures. We didn’t miss a beat. Nothing slipped or slowed down. That is important because our bank and investors, as well as management team, couldn’t afford a loss of visibility into our performance during this challenging time.”

And going forward, Consero has allowed McClure to keep his attention on the matters only he can manage. “We’re just wrapping up our latest audit and Consero really took the lead with that. Consero built a great relationship with our auditor from their work on the first one,” said McClure. “I was able to devote my time to securing a new credit facility to support our growth, which was one of my key priorities upon joining the Company. It’s been great to be able to divide and conquer.”

“By bringing Consero on first and readying the back office for private equity and bank reporting demands, we were able to focus on sourcing the kind of strategic CFO that fit the needs of PELITAS in the long run without having to build out a large finance team,” said Steven Huddleston, CEO of PELITAS. “And we’d be excited to take that approach again when the need arises, given how effective Consero was in upgrading the finance function.”

This doesn’t just free up the time and attention of the CFO, but the private equity firm as well. The GP needs timely and accurate financials from day one, even in the calmest of economic climates. By having Consero build the accounting and finance function from the bottom up, you are putting in place the infrastructure for consistent and reliable reporting of information that is truly meaningful to the investors. And in the face of so much uncertainty right now, they need numbers they can trust more than ever.

