



# CONSERO

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Case Study

## Base10

### How Base10 Partners is Using Finance as a Service (FaaS) to Manage the Back Office of the ManCo

During a recent Client discussion, Consero Senior Vice President of Finance Aaron Odle spoke with Jarred Morales-Mckinzie, the Director of Finance, Operations and Tax for Base10, about his experiences using the Finance as a Service (FaaS) model at the San Francisco-based venture capital firm.

Base10 is the first Black-led VC firm to cross the \$1 billion assets under management threshold. It was founded in 2018 by venture capitalists Adeyemi Ajao and TJ Nahigian. The firm uses a data-driven approach to invest in automation technology across a range of business sectors the firm has identified as an emerging megatrend, including retail and food services.

Its first two funds both invested in about 30 companies — the \$137 million Fund I launched in 2018 and the \$250 million Fund II launched in 2020. Its third early-stage fund, which launched in 2002 with a value of \$460 million, invests in fintech in Africa. The firm's total AUM is currently \$1.2 billion.

“Base10 donates 50 percent of carried interest from Fund II into endowments and scholarships at historically black colleges and universities, which are anchor limited partners in the fund,” said Morales-Mckinzie.

### Crossing the Finish Line

Morales-Mckinzie runs the back office for Base10. “When a term sheet is signed, it’s my job to make sure we get it across the finish line.”

In 2021, Base10 chose to partner with Consero to provide Finance as a Service, or FaaS, largely because of Consero’s expertise in finance and accounting

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*I do everything  
except invest money*

Morales-Mckinzie

for investment management firms. Consero provides Base10 with an integrated and custom accounting platform with tested processes, procedures and solutions, along with an experienced finance and accounting team that acts as a trusted advisor.

“Without Consero’s help, I’d have been dead in the trenches a long time ago,” said Morales-Mckinzie. “FaaS from Consero saves me countless hours of time that I can devote

to strategic support of our general partners to help close deals.”

In 2021 and 2022, there was a huge influx of venture capital into early growth-stage companies, said Morales-Mckinzie. Since then, Base10 has faced challenges from a volatile interest rate environment, rapidly changing fiscal policies and several high-profile bank failures.

## Building a Scalable Solution

Odle stressed the importance of working with an outsourced service provider that can scale with you when you’re evolving into a more complex structure like Base10 has over the past few years. “This is something Consero is really focused on: building a scalable solution,” he said. “We try to be prepared with outside-the-box solutions when they’re needed.”

Odle asked Morales-Mckinzie how FaaS from Consero helps him juggle all the different back-office moving parts he’s responsible for. Morales-Mckinzie wears many different hats, from chief compliance officer to CFO to COO.

“It’s not easy!” he said. “My eyes and ears have to be open to everything that’s going on in the business because everything has a downstream impact. It’s important to make sure that all the partners are plugged into a situation before we address it, and FaaS helps us accomplish this.”

Morales-Mckinzie believes that the back-office has generally been seen as a backward-looking cost center in the past. “But this mentality is changing among general partners due to some of the issues we’ve seen in the banking industry,” he said. “They realize that the finance and accounting functions do provide value because we manage a lot of limited partner capital, which is our utmost responsibility.

FaaS from Consero helps ensure that we make payroll and are in compliance with local laws, regulations and taxes that can stack up when you have more than 30 active LLPs and LLCs,” said Morales-Mckinzie. “I can sleep well at night knowing that everything is almost on autopilot, and I don’t have to worry about making payroll or new employees being onboarded correctly.”

Morales-Mckinzie said that Base10 has considered bringing some fund accounting in-house. “But we get a lot of strategic value from our partnership with Consero. For example, I called Aaron early on the morning of the Silicon Valley Bank collapse to see what others were doing and he was able to share thoughts based on Consero’s network of other asset management firms.”

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Having a trusted partner can help mitigate risk

Aaron Odle  
VP of Finance

## Developing Formal Expense and Leave Policies

Morales-Mckinzie stressed the value of Consero's HR function. "When you're growing like we are, you hire a lot of new people who may be in different jurisdictions and have different leave practices. When we started out, we didn't have a formal expense or leave policy, but Consero has helped us develop them."

When he's reviewing changes to LPAs, Morales-Mckinzie said he's likely to send emails to Aaron at all hours asking questions. "I need the answers quickly, and Aaron responds within 12 hours. This is critical because, in our industry, decisions need to be made yesterday."

While having lunch with a group of CFOs recently, Morales-Mckinzie said they talked about how technology has evolved in the investment management field, but it hasn't evolved as much in the back-office. "Consero has done a great job of adapting to the technology needs of our business," he said. "We've experimented with some new technology adoptions with them and learned a lot through those processes."

"Our product team is always looking at and testing new technologies and products that come out on the market, and we'll continue to do so to see how things like AI can improve our processes," said Odle. "As my former boss used to say, if you're not changing, you're falling behind."

## SIMPL®: Consero's Fully Integrated Software Platform

Odle explained how Consero's FaaS software platform, SIMPL®, provides a single point of access for complete financial clarity. This fully integrated software platform features role-based, self-service tools that provide insight and control for CFOs, managers, department heads and executives. These tools include cloud accounting software, invoicing and vendor billing, expense approvals and payments, statutory and management financial reporting, task management and workflow software, and graphical metrics and KPIs.

Morales-Mckinzie stresses that it takes time to build a relationship with a new FaaS partner. "Make sure you set clear expectations from the start, both formally in the engagement letter and while onboarding," he said. "Try to think of everything you'll need from them. And make sure you like the people you work with."

To learn more about Consero and the benefits of using the Finance as a Service model, you can request an introduction here: <https://conseroglobal.com/request-a-consultation/>



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