

PARTNERSHIP LIFETIME VALUE

Contractor - Business Transformation

KEY RESULT SUMMARY

Since inception with Fintrepid:



Days Sales Outstanding decreased by **7 days**



Increased profit from **9.1% to 16.5%**



Working Capital adjustment of **\$500K** in favor of our client/buyer



Provided previously missing visibility so management could make informed decisions going forward



Rebuilt trust in lender relationship



Supported the client in navigating a complex legal matter by coordinating key financial information and facilitating communication with legal professionals to ensure a smooth and efficient process

FINTREPID SOLUTIONS

Starting Point

After acquiring the business, our client - the new owners - discovered that the financial function was not as represented pre-close. The ERP system was not properly utilized, resulting in limited visibility into ongoing performance and inadequate reporting to the lender. Additionally, the new owners faced significant concerns regarding the final resolution of working capital adjustments related to the acquisition of the business.

Strategic Support

- Quickly became a trusted advisor to the owners, providing a strategic voice, another set of eyes and ears and exposing previously unknown areas of risk for them.
- Built a strong relationship with the company's lender and provided guidance on navigating compliance requirements to ensure ongoing adherence.
- Compiled and delivered multiple years of consolidated financial statements to the bank, despite most of the activity occurring prior to our engagement and established a go forward quarterly review cadence.
- Thanks to the improved information flow and communication, Fintrepid proactively addressed an underperforming quarter and communicated key details to the lender, preventing the need for an increased reporting or escalation.

Systems Expertise

- Leveraging expertise in ERP systems for the construction industry, identified weaknesses and gaps in the ongoing internal use and implemented corrective measures.
- Trained the company's management team on utilizing ERP for construction accounting and reporting, while developing system processes for job costing, payroll, overhead, and more.
- Modified system reporting to ensure accurate WIP, job costing and progress reporting, providing management with reliable tools for ongoing use.

Complex Accounting Support

- Implemented accounting processes to enable the company to maintain accurate accrual-based financials, allowing them to better manage their business with improved financial visibility.
- Created a revised chart of accounts to better reflect the company's segments and flows of transactions.

Financial Reporting

- Developed consolidated reporting package
- Created and implemented a weekly cash flow forecasting model
- Established the first annual budget process
- Introduced periodic forecast update process
- Provided FP&A support, helping management analyze and make informed decisions based on accurate financial information.

HR Support

- Assisted the company in drafting the job description, interviewing and hiring of a new controller.
- Provided transition support to onboard the new controller and familiarize them with the company's accounting and ERP process.
- Evaluated the company's commission policy and provided recommendations for two alternative methods for improvement.

Tax Support

- Coordinated with the company's tax CPA to provide accurate reporting for the multiple tax return years.
- Reviewed CPA tax estimates and identified an information gap that resulted in errors in the calculation of taxable income, and corrected the issue to ensure an accurate tax liability.
- Assisted the client with owner compensation planning, leading to reduced payroll wages and a lower tax liability.

Assistance with Legal Matters

- Corrected the company's financial statements to comply with the business purchase agreement and facilitated the client's post-closing working capital true-up.
- Assisted client in the negotiation of the working capital resolution, resulting in \$500,000 working capital adjustment in their favor.

