



# **CFO Services designed for investor backed businesses.**

**Prepared by:**

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## CFO services designed to build value from the bottom up.

As a CEO running a portfolio company, a CFO post-investment or an investor managing multiple portfolio companies, a primary constraint to your decision quality is the information available.

We help inform your path forward with a relentless focus on your data. If your people, systems and processes are not surfacing the needed insights, at the right time, it's time to build up your finance infrastructure.

### ADDRESSING CFO SERVICE GAPS

Portfolio companies face new information and compliance requirements post-investment. Sometimes it's a simple bandwidth issue and they need temporary support to manage these demands. Other times, new capabilities in people, processes, and systems are necessary to adapt to the post-investment environment.

### PETER OBRIEN AT DIGITAL FINANCE HQ.

We provide interim and fractional financial leadership during periods of change. Our partner-driven approach ensures portfolio companies, management teams and investors receive the financial expertise required to build long term value.

**CFO services for  
technology and  
software  
businesses  
focused on long  
term value.**

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**We help private equity investors and portfolio company CEOs ensure stability and improve predictability for their businesses.**

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### **OUR CLIENTS**

Our clients include CEOs, private equity firms and their portfolio companies based in the US and Europe.

### **HOW WE ADD VALUE**

We provide office of the CFO services to businesses during critical inflection points in their life cycle. We have a bias for action and focus on executing. We bring an owner's mindset and focus on operational improvements delivering incremental long-term value.

### **OUR APPROACH**

We step into Interim management roles to work along side and on the ground with, leadership teams. We also augment existing CFO leadership to handle peak events. We work directly with investors and management teams to design, plan and execute our recommendations. Our custom workplans and continuous project tracking keep everyone in lock step along the way.

### **OUR RESULTS**

We have built successful financial infrastructure and delivered value for many technology and software businesses. Our services have enabled investors and management teams to make data driven decisions and deliver exceptional returns.

**Our operationally  
driven CFO  
services increase  
EBITDA, growth  
and multiples.**

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## Company Focus

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### Software and Technology Businesses

#### Revenue

\$10M to +\$500M

#### Locations

USA, Europe

#### Events

- Funding (Seed to Series E)
- Majority Investment
- Carve-Out execution
- Acquisition Integration

#### EBITDA

\$1M to \$100M

#### 50+

Businesses supported

#### Services

- Interim CFO
- Fractional CFO
- Network of providers

*Select clients*

# How do we help the CFO function?



## CRITICAL EVENT

- ▶ Interim Management
- ▶ Transactions
  - Carve-Outs
  - Integration
- ▶ Compliance



## OPERATIONS

- ▶ Finance & Accounting team management
- ▶ Business partner to CEO and functional team leads



## CORE INSIGHTS

- ▶ Accounting & Reporting
- ▶ Budgeting & Forecasting
- ▶ Treasury Management



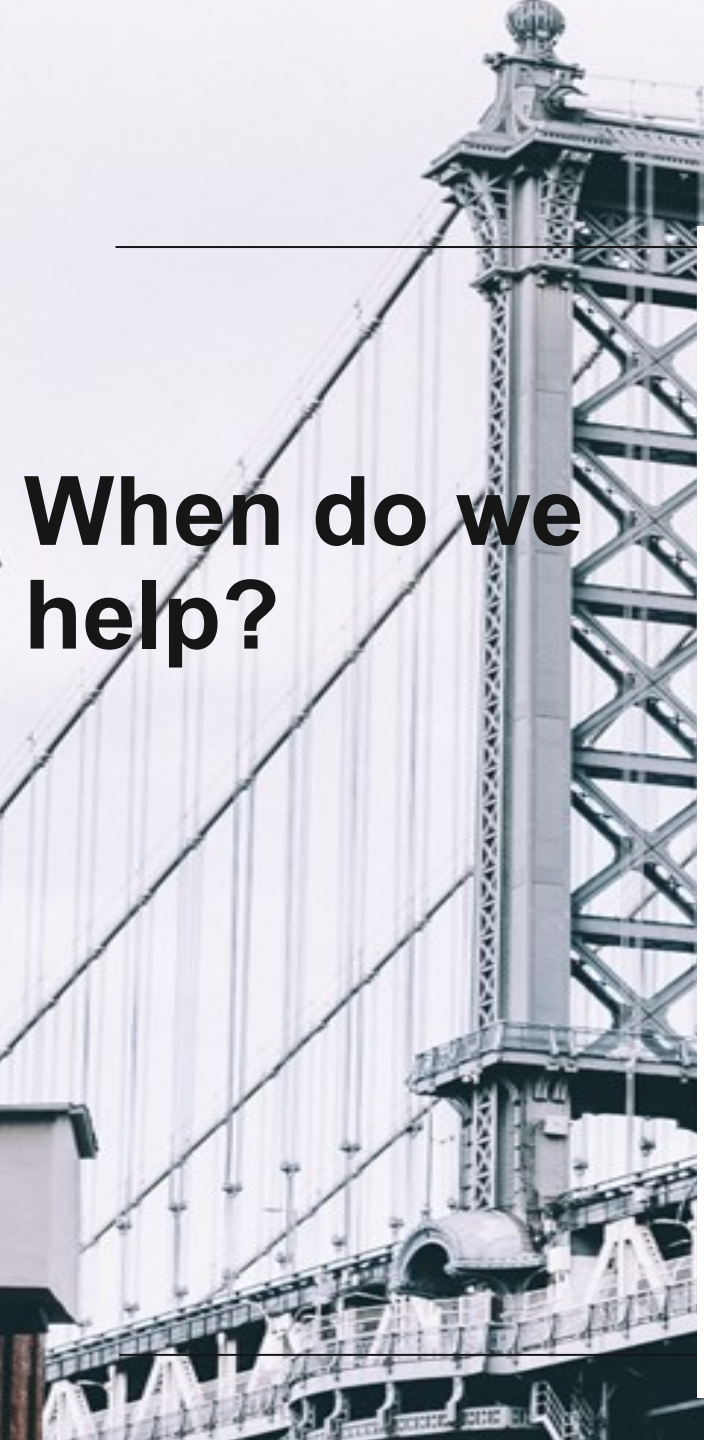
## VALUE CREATION

- ▶ Initiative assessment
- ▶ Value Creation execution, design and management.



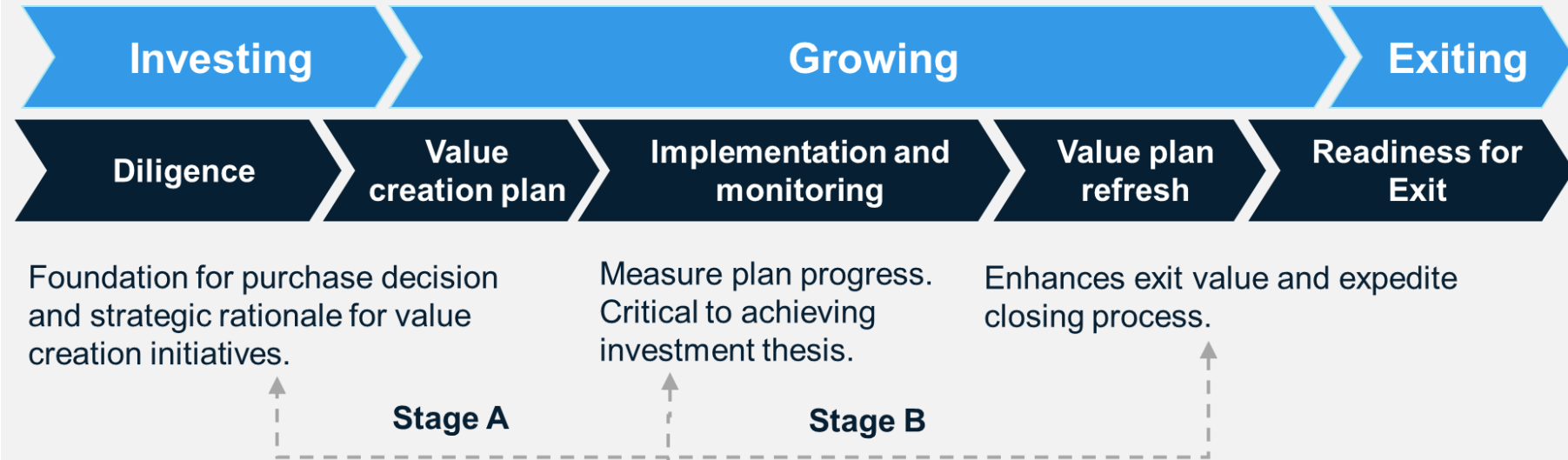
## IMPROVE LIQUIDITY & CASH FLOW

- ▶ Working Capital Improvement
- ▶ Cash Flow Forecasting



# When do we help?

We provide the most value during two distinct periods of businesses growth.



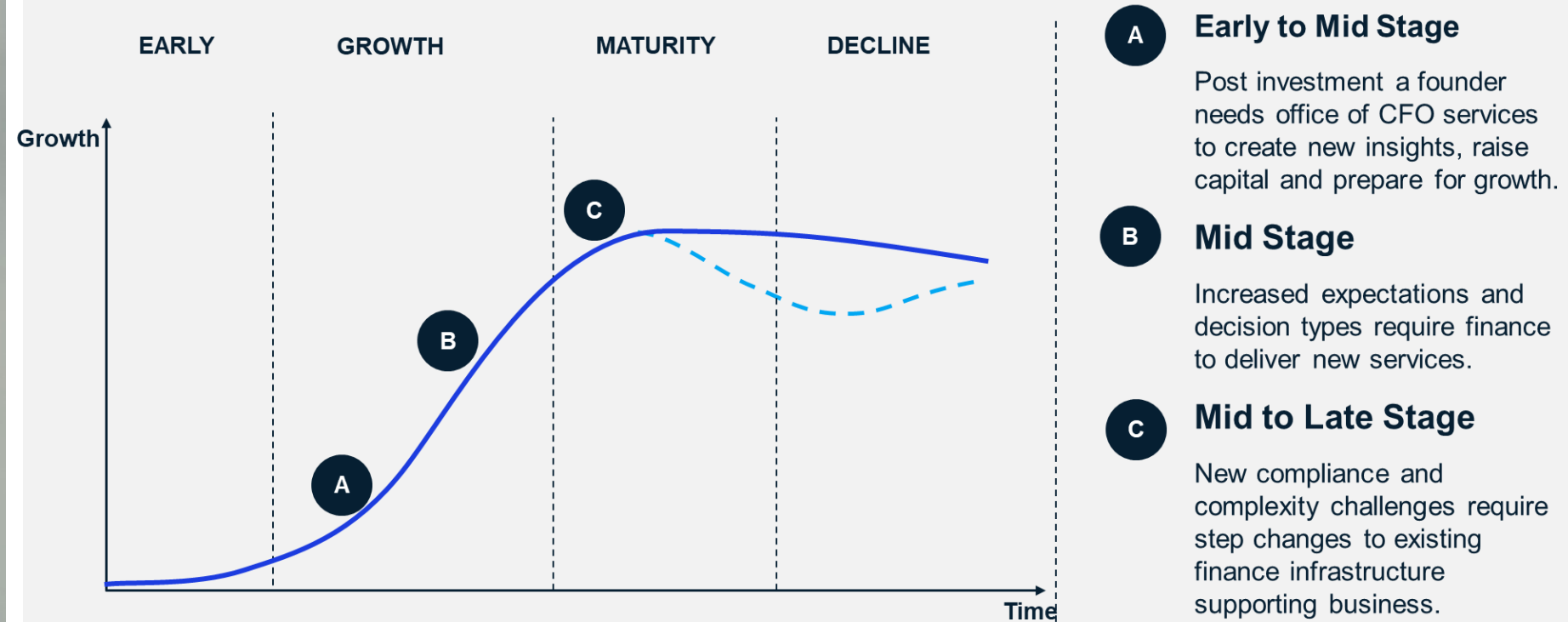
**Stage A:** Company was acquired or received investment. The services provided by the finance role have changed significantly. We build up those required capabilities to ensure success.

**Stage B:** Established business requires fresh look at finance infrastructure and measurement towards successful exit.



# Where do we help?

We have executed success designing and delivering finance services during three key inflection points.





# Key Service Areas

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## Strategic Insights & Forecasting

- ▶ Partner with us for data driven decision making.
- ▶ Build modern command centers for team alignment and resource optimization.
- ▶ Deliver the right insights to the right people at the right time.



## Financial Analysis & Reporting

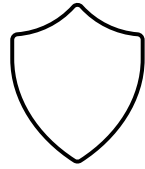
- ▶ Enable informed decisions for management, boards, and investors.
- ▶ Ensure accurate data to measure investment impact and outcomes.
- ▶ Eliminate roadblocks in legacy systems to unlock critical business insights.



## Operating Model Design & Planning

- ▶ Adapt measurement systems to changing markets and technologies.
- ▶ Implement agile approaches to accelerate feedback loops.
- ▶ Drive the right outcomes with effective operational levers.

**Our principles  
are the  
cornerstones  
for successful  
partnerships.**



### **Transparency and Accountability**

Partner trust is earned by being open, consistent and accountable.



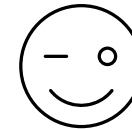
### **Action Oriented**

Take the decisive action and focus on impactful initiatives.



### **Team Strength**

Aligning diverse skills creates exceptional results.



### **Respect and Enjoyment**

Respect for individuals fosters an environment for success and personal growth.

# Mapping the End-to-End new customer journey delivered insights leading to improved margins and increased revenue.

## Case Study: ~\$25M Vertical Business Management Software

SoftwareCo needed to improve revenue predictability, customer retention, and financial infrastructure.

### Value impact

<b>40%</b> Improved On-time renewals	<b>55%</b> Increased Conversions	<b>35%</b> Improved New Customer Churn
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Increased Gross Margins negotiating carrier contract.	Increased revenue negotiating new payment processor partner contract.
Increased Gross Margins by reducing wasted SMS volume sent.	Increased revenue by identifying causes of high churn in 1 <sup>st</sup> 90 days.

- ▶ **Mapping the lead to closed-won funnel** provided actionable insights. We discovered issues creating bottlenecks in customer conversion.
- ▶ Created **cohort reporting by customer segment** to track end to end journey of new customers. These insights led to multiple Customer Success improvements driving immediate long term business value.
- ▶ **Negotiated transformative new payments partner** contract, Card Connect, increasing margin and providing a new source of top of funnel opportunities.
- ▶ **Negotiated new Twilio contract** by purchasing three-year minimum commitments. Cost reduced ~50% allowing for “free” bundling of SMS into monthly subscriptions and increasing new logo conversion rates.

# Case Study: ~\$100M Insurance Software

## Establishing capital markets compliance and finance operations building long term value.

### Situation

A global software leader providing insurance administration software, received investment from a major private equity firm. Soon the new requirements to complete closing agreements and meet capital markets compliance proved too difficult to achieve with the existing finance people, processes and systems.

As part of investment, debt would be publicly traded requiring a new SEC level audit. The company lacked the finance capabilities to meet the new compliance requirements within stated deadlines.

### The founder hired Peter OBrien as Interim CFO to:

- ▶ prepare all closing statements within 60 days,
- ▶ hire KPMG and conduct the new audit,
- ▶ support the new management team with first year budget,
- ▶ make any changes to finance team to ensure success and onboard a permanent local CFO once hired.

### Approach

- ▶ Acting as CFO for +12 months, we worked closely with the distributed teams located in the US, India and Europe.
- ▶ Communicated frequently with equity and debt investors to establish new reporting cadences.
- ▶ We did a deep dive into the multiple ERP systems and reporting processes across multiple legal entities to diagnose existing data and information challenges.

### Results

- ▶ Increased stakeholder confidence by completing Closing Agreements on time, a successful SEC-level audit within seven months and the first board approved annual budget cycle.
- ▶ Established capital markets confidence in the new listing by managing debt investor relations through successful public trading of debt.
- ▶ Developed a new compensation model for sales and channel partners to illustrate the impact of shifting from on-premises/perpetual licensing to a pure SaaS deployment. This model clarified how the business model change would affect resources, cash flow, revenue, and invoicing, thereby building confidence among the entire team.
- ▶ Successfully onboarded and partnered with the new perm CFO.

## Case Study: ~\$25M Vertical Business Management Software

### Establishing financial capabilities post majority investment to set the stage for growth.

#### Situation

This was one of four interim CFO roles for new majority investments into technology businesses made by a private equity client. SoftwareCo was a high-growth vertical business management software.

Peter was hired post-investment to stand-up the finance capabilities needed to support the investment thesis. He focused on building the readiness for the business to accelerate growth investments into go-to-market, customer acquisition, product expansions, and new talent hires.

#### Approach

- ▶ Acting as CFO for a period of ~12 months, Peter worked with investors, departing founders and existing management team to hit the ground running on first year investments.
- ▶ We worked daily with the management team, assessing capabilities, systems and processes to define the current state. We created a plan to attain the base level future state required to support first year goals.

#### Results

##### **Stabilized core finance operations to improve margins, profits and revenue.**

- ▶ Finance had been founder run with an administrative assistant using bank statements.
- ▶ First year audit completed within six months while cadence established for debt compliance and board reporting.
- ▶ Increased margins by reducing variable costs of SMS messages through contract negotiation with carriers and reducing waste in SMS volume sent.
- ▶ Increased top line revenue and margins by selecting and negotiating a new payment processing partner.

##### **Finance led go to market improvements prepared business for accelerated growth.**

- ▶ Segmenting renewals pipeline increased on-time renewals % and reduced churn. Funnel mapping led to identifying high potential leads increasing conversions.
- ▶ Our deep dives provided the blueprint for a new system stack consisting of NetSuite, Pardot, Sales Force and Zuora which increased team efficiency and productivity.

# We improve the durability and persistence of finance operations to deliver investor, CEO and management team value.



## Accelerate Value Creation

- Develop and implement financial strategies that align with investor and management goals.
- Drive significant operational improvements, efficiency and financial performance.
- Tailor initiative sequence to the unique challenges, ensuring the right support at the right time.



## Stabilize Business Foundation

- Build the enabling capabilities for a predictable, profitable and scalable business.
- Augment the executive team with a like-minded operator to deliver and execute.
- Get the people, process and systems ready to do even greater things.



## Improve Stakeholder Confidence

- Improve governance with enhanced internal controls and reporting.
- Ensure continuously positioning the business towards a successful exit.
- Signal to stakeholders the importance of financial best practices.

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# We mitigate the critical risks of businesses needing office of the CFO support.

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## Business Disruption

**Issue:** Hiring the wrong CFO quickly can disrupt the organization, leading to **attrition and loss of stakeholder confidence**.

Interim CFOs **minimize disruption** by maintaining steady leadership and giving time to find the right leader.

Send a signal to stakeholders and management teams that finance is a mission critical capability for success to **build confidence**.

We act as a liaison with investors, CEO and other executives to ensure **smooth operating cadence**.

## Deeper Finance Challenges

**Issue:** CFOs often leave due to **underlying issues** in the finance department and overall infrastructure that need fixing.

We can **rebuild finance functions** for efficiency and effectiveness.

Use the interim period to introduce **best practices** and up level the systems and technologies.

Create a **strong foundation** for the next CFO to step in seamlessly and lead effectively.



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# We mitigate the critical risks of businesses needing office of the CFO support.

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## CFO Turnover and Leadership Gaps

**Issue:** High turnover in CFO roles leads to **gaps in leadership**, affecting business stability.

Interim CFOs ensure **continuous financial leadership** during transitions.

Maintain financial operations **stability and continuity**.

We bring our **immediate expertise** to manage ongoing financial tasks effectively.

## Expectations Increased and Accelerated

**Issue:** CFOs **face high expectations** to measure, manage, and scale businesses, often falling short.

Interim CFOs help **meet and exceed investor expectations**. We also work alongside CFOs as a partner.

Improve data collection and analysis for **better decision-making**. We have deep knowledge of complex systems.

Doing more of the same does not always **scale**. We bring fresh and experienced perspective.

# We manage projects end-to-end with a reliable and time-tested method.

- ▶ For over 10+ years our methodology has managed large scale and complex projects.
- ▶ We keep it simple, focused, shared and continuously updated with stakeholders.
- ▶ Projects are broken into Phases and down to critical task level with accountability defined.

## Examples:

Phase	Progress	Achievements	Current Focus / Next Steps
<b>Phase I:</b> Current State Accounting Operations	21/23 Complete 1 In-progress and 1 Hold	-Established Close Cycles and Continuity of Accounting procedures -Financial Reporting Package and Beginning Balance Sheet -US Bank Reporting	Review of Sales Compensation and Success Incentive Program on hold
<b>Phase II:</b> Future State Accounting Operations	4/10 Complete 6/10 In-progress	-Selection & purchase of ERP system, NetSuite -Draft of KPIs by department	Business initiative selection and ROI KPI development & roll out Revenue Recognition in billing system
<b>Phase III:</b> Implementation & Other Projects	2/10 Complete 2/10 In-progress and 6/10 In-Progress	-NetSuite implementation plan -Started key business initiatives: 90 Day Plan	Payment processing Upsell/Add-On analysis, Usage Analysis
<b>Phase IV:</b> Key Projects		-Initiated Health Care broker quotes -NetSuite kick-off call	Metrics Key Business initiatives NetSuite implementation

Summary of Status by Phase	Complete	Hold	In-progress	Total
• Ensure Core Accounting Functions	9	1		10
• Financial Statements & Reporting	5			5
• Compliance, Insurance, Regulatory	7		1	8
<b>Phase 1 Current State Accounting Operations</b>	<b>21</b>	<b>1</b>	<b>1</b>	<b>23</b>
• Recommend accounting system	2			2
• Develop Core Accounting Policies & Procedures	1		4	5
• Identify Core Reporting Metrics	1		2	3
<b>Phase 2 Future State Accounting Operations</b>	<b>4</b>		<b>6</b>	<b>10</b>
• Finance System	2		1	3
• Key Projects		2	5	7
<b>Phase 3 Implementation &amp; Other Projects</b>	<b>2</b>	<b>2</b>	<b>6</b>	<b>10</b>

ID	Phase III	Status
A1	Pre 9/16 Historicals into Stop Gap System	Complete
A2	Post 9/16 Financials into Stop Gap System	Complete
A3	Analytics Tools, Reporting Softwares	In-progress
A	• Finance System	
B1	Business initiative ROI, Priority	In-progress
B2	Developer RoadMap ROI	Hold
B3	Payment Processing	In-progress
	• Open Edge	
	• International processors (UK)	
	• Vantiv	
B7	ApplePay	
B4	Sales Incentive System Analysis	In-progress
B5	Upsell/ Cross-sell opportunity Analysis	In-progress
B6	Reseller / Partnerships Analysis	Hold
B7	Health Care cost & process assessment	In-progress
B	• Key Projects	
3	<b>Phase 3 Implementation &amp; Other Projects</b>	

Week #	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Compensation/Incentive System															hold
Billing Overhaul (PAC, Research, Commissions, Sales & Secord)															In-progress
Federal & State Tax payments & filings															
<b>Phase 1 Current State Accounting Operations</b>															
Documentation of Core Accounting															In-progress
Revenue Recognition															In-progress
Software Capitalization Policy															In-progress
Equity expense of the Profit Units															In-progress
• Develop Core Accounting Policies & Procedures															In-progress
KPIs for board level reporting															In-progress
KPIs for departmental level reporting/management															In-progress
<b>Phase 2 Future State Accounting Operations</b>															
Identify Core Reporting Metrics															
Analytics Tools, Reporting Softwares															In-progress
<b>Finance System</b>															
Business Initiative ROI, Priority															In-progress
Developer RoadMap ROI															hold
Payment Processing															In-progress
• Open Edge															
• International processors (UK)															
• Vantiv															
• ApplePay															
Sales Incentive System Analysis															In-progress AS
Upsell/ Cross-sell opportunity Analysis															In-progress
Reseller / Partnerships Analysis															hold
Health Care cost & process assessment															In-progress
• Key Projects															
<b>Phase 3 Implementation &amp; Other Projects</b>															
Metrics & KPIs															JC1, JC2
Map the Funnel															3B5
Add-On Upsells															
2017 Budget															
NetSuite Implementation															
Payments (all methods, Mobile, CC)															
Billing System Analysis/Selection															
BI Tools															
<b>Phase 4 Implementation &amp; Key Projects</b>															

# Next Steps To Partner With Us

- 1 Call to understand your specific situation and establish our scope.
- 2 Refine scope and create initial workplan. This is best practice for successful interim CFO roles.
- 3 We work together to build the plan fast, measure progress and iterate continuously.

## Example:—Build Plan to execute finance / operations improvements or growth initiatives

### Build Baseline

- Collect and assess fact base
- Understand investment context
- Determine current finance state
- Define required future state
- Document the gaps / projects

#### Criteria / Deliverable:

- Understand business model, financials and investment goals.

### Identify Opportunities

- Define initiatives by cost, effort and benefit.
- Prioritize highest potential cost reduction, revenue increasing.
- Identify enablers or capabilities required.

#### Criteria:

- Organizational impact / requirements
- Alignment with investment goals

### Design Options

- Refine opportunities and develop implementation options.
- Identify Quick Wins and elevate to expedite vetting process.

#### Criteria:

- Develop roadmap and Work Plan.
- Determine resources, stakeholders / accountability.

### Vet Options

- Solicit stakeholder feedback with ranking and Go /No-Go process.
- Refine options based on feedback.
- Clear distinctions between quick wins vs longer term initiatives.
- Apply business case rationale

#### Criteria:

- Agreed upon Plan of initiatives and projects.
- Readiness Phase 2 - Execute.

**We are looking for a  
few great businesses to  
improve stability,  
predictability and  
profitability.**

# Ready to Start a Conversation?



**Contact: Peter O'Brien**  
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## **Function and Specialization**

Peter O'Brien is the owner of Digital Finance, HQ, living in Charleston, SC. Peter is a seasoned CFO advisor with over 20 years of experience in private equity and VC backed technology and software companies.

He has a proven track record in complex situations, diligence, operating model design, system implementations, and post-acquisition integration.

Peter has consistently led and transformed finance functions, driving significant growth and scalability in various organizations.

## **Education**

B.S. from Marquette University  
CPA from State of California