

# Finance-Focused Value Initiatives for a Portfolio Company Post-Acquisition



**DIGITAL FINANCE HQ**

Flexible CFO and Finance Talent Solutions

## Why the Finance Focused Value Creation Plan Matters

A well-defined value creation plan unlocks potential from day one, delivering swift results and building momentum. By focusing on the enablers and of the high-impact initiatives you are de-risking the chances of failure and accelerating the time to unlock increased value.

### Value Creation Plan- Finance-Focused Initiatives for a Portfolio Company Post-Acquisition

**Objective:** Strengthen financial operations, improve cash flow, create scalable financial processes, and build a high-performing finance team to maximize value during the holding period.

#### Summary of Value Created

- Immediate Cash Flow Improvements and Cost Reductions: \$3.25M.
  - Revenue Uplift through Optimized Pricing and Efficiency: \$2.5M.
  - Operational Scalability and Exit Valuation: +\$2M.
  - Total Impact: \$7.75M.
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## Phase 1- Diagnostics & Alignment (Month 1)

**Goal:** Identify key financial improvement areas and align strategies to improve EBITDA and cash flow.

Project	Description	Expected Outcomes (Value Created)	Estimated Completion
<b>Working Capital Audit</b>	Analyze accounts receivable (AR), accounts payable (AP), and inventory management processes.	Identify opportunities to improve cash flow by \$2M through better cycle management.	Week 3
<b>Budgeting Process Review</b>	Assess current budgeting practices and align them with investment thesis goals.	Streamline budgeting and forecasting, enabling \$500k in more effective resource allocation.	Week 4
<b>Cost Structure Analysis</b>	Review all cost drivers, including SG&A and operating expenses, for optimization potential.	Identify \$1M in cost-saving opportunities by reducing non-core expenses.	Week 4
<b>Financial Systems Audit</b>	Evaluate the current ERP and financial tools for inefficiencies and gaps.	Identify opportunities to modernize systems, potentially saving \$500k annually.	Week 4

Project	Description	Expected Outcomes (Value Created)	Estimated Completion
<b>Finance Team Skills Assessment</b>	Assess finance team capabilities against the PE ownership's expectations and operational demands.	Establish a tailored roadmap for upskilling and performance improvement.	Week 4

## Phase 2 - High Impact Execution (Months 2-4)

**Goal:** Implement initiatives that directly enhance EBITDA, operational efficiency, and team capabilities.

Project	Description	Expected Outcomes (Value Created)	Estimated Completion
<b>Dynamic Pricing Strategy</b>	Implement a pricing model based on value, market conditions, and customer segmentation.	Increase revenue by \$1.5M through optimized pricing for high-value customers.	Month 3
<b>Vendor Contract Optimization</b>	Renegotiate contracts with key suppliers and vendors to secure better terms.	Achieve \$750k in annual cost savings through renegotiated terms.	Month 4
<b>AR/AP Automation</b>	Deploy software to automate billing and payment processes for improved efficiency.	Reduce DSO (days sales outstanding) by 20%, improving cash flow by \$1M.	Month 4
<b>ERP and BI Tools Upgrade</b>	Implement a modern ERP system integrated with BI tools for real-time reporting and automation.	Reduce close cycles by 30% and save \$400k annually in	Month 4

Project	Description	Expected Outcomes (Value Created)	Estimated Completion
		operational efficiencies.	
<b>Talent Management Program</b>	Launch a comprehensive training program to upskill finance staff in advanced modeling and SaaS metrics.	Increase team efficiency by 20%, reducing payroll-related inefficiencies by \$200k.	Month 4

### Phase 3 - Scalability & Exit Prep (Months 5-6)

**Goal:** Build scalable financial systems and prepare infrastructure for an attractive exit.

Project	Description	Expected Outcomes (Value Created)	Estimated Completion
<b>Cash Flow Forecasting Tools</b>	Implement real-time forecasting models to improve financial planning accuracy.	Increase predictability of cash flow, reducing financial risk by \$1M.	Month 5
<b>KPI Dashboard Implementation</b>	Create dashboards for tracking key financial metrics such as EBITDA growth, cash flow, and ROI.	Provide transparency for investors, increasing attractiveness to buyers.	Month 6
<b>Tax Optimization Strategies</b>	Review and optimize tax structures to align	Save \$500k in tax expenses through	Month 6

Project	Description	Expected Outcomes (Value Created)	Estimated Completion
	with growth and exit strategies.	better planning and compliance.	
<b>System Scalability Testing</b>	Stress-test new ERP and BI systems to ensure readiness for future growth and acquisitions.	Reduce risks during scaling, potentially avoiding losses of \$1M.	Month 6
<b>Enhanced Reporting Dashboards</b>	Build investor-ready dashboards with real-time visibility into SaaS KPIs and operational performance.	Add \$2M to valuation by showcasing performance and scalability.	Month 6

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💡 **What's your strategy for getting finance function involved to maximize value post-acquisition?** Let's discuss how simple, actionable plans can create extraordinary results.

🔔 **Reach Out To US** to learn how we can help you kick-start a finance led value creation plan and take advantage of your new momentum drivers.

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🚀 **Let's Build a Resilient Finance Future Together**

Drive success, unlock growth, and win over stakeholders with strategic insights from seasoned CFOs.

At Digital Finance HQ, we empower businesses with expert financial consulting and tailored fractional CFO services.



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