



## Exceptional Leaders International

### SUCCESS STORY

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## Acquired Family Business Needs Financial Infrastructure

### BACKGROUND

What happens when a private equity group acquires a decades-old business with virtually no financial infrastructure? It's time to dig in and get to work. And that's exactly what was needed in this success story. The client was a 65-year-old family business that had been sold to a private equity group.

### SITUATION

The new owners wanted to ensure that the financial leadership was equipped to handle the rigor and demands of being a highly leveraged portfolio company. Limited operational metrics existed within the organization, and the client had gone from having no debt to being a highly leveraged entity. They had never had a formal audit and were not prepared to meet the needs of their lenders, investors, and board. On top of this, the CEO was still adjusting to dealing with an outside board, lenders, and equity investors.

An E.L.I. Partner was brought in shortly after the business was acquired with two goals: create a robust and comprehensive financial infrastructure, and assist the CEO.

### SOLUTION

The E.L.I. Partner designed and implemented a financial and operational infrastructure to facilitate timely month end closings. They also created a financial and operational dashboard to guide the leadership and inform the board. This included monthly and quarterly reporting packages, including management's discussion and analysis. The E.L.I. Partner led the organization through their first ever full audit, with an unqualified opinion being issued. They also assisted not just the CEO, but the entire leadership team in understanding the financial health of the organization and the importance of managing costs and cash flows in a highly leveraged environment. The E.L.I. Partner worked closely with the CEO on numerous strategic issues and the appropriate actions and communications to be employed with various stakeholders.

### RESULTS

The financial and operational insights provided by the E.L.I. Partner assisted the organization as it weathered through a significant market downturn. They were able to appropriately cut costs, reduce inventory and capital expenditures, and thus improve profits and preserve liquidity. Assisted by the leadership efforts of the E.L.I. Partner, the client successfully navigated the market downturn with minimal impact to EBITDA, while actually lowering debt levels.

*This success story took place before the referenced E.L.I. Partner joined E.L.I. It is used here as an example of the types of services we offer and to display the experience and talent of the E.L.I. Partner. The formation of E.L.I. was driven by a desire to bring multifunctional expertise together in one firm.*