

CONSORTIUM NETWORKS

Delivering exceptional results on both sides of a competitive M&A process - a successful exit for the founder/owners, followed by a smooth transition of CEOs and new Private Equity ownership



Emmett Ferri
Fractional CFO



AT A GLANCE

PRE-SALE CHALLENGES

- No CFO & barebones FinOps
- Entering a competitive M&A process
- Need for Financial Modeling, Reporting, KPIs, Due Diligence, Quality of Earnings, Transaction expertise, and Negotiation support

POST-SALE CHALLENGES

- Need for C-level support during ownership and onboarding a new CEO
- Develop Year 1 Budget and 5 Year Strategic Plan
- New Private Equity, Lender & BOD reporting requirements
- Establish and build out an internal finance function
- Ongoing GAAP Compliance

BENEFITS

- Well-run, competitive M&A process
- Successful exit for owners; new PE partner onboarded
- Significant Strategic Finance and FinOps enhancement
- Sophisticated Financial and KPI reporting, Forecasting, and Modeling implemented
- Smooth CEO transition ensured
- First-year GAAP audit completed; in-house finance function established; full-time CFO onboarded

Consortium Networks is the trusted Cyber Concierge helping clients solve their toughest cybersecurity problems.

“Having Emmett join our team to work side by side with the founder and me as our CFO was one of the best strategic and operational decisions we made to help us prepare pre-sale, sale, and post-sale integration. With his experience and expertise he provided excellent guidance on financial performance optimization, improving cash flow and cutting costs through thorough financial analysis to set us up for a successful transition and sale. He guided us through all phases of the due diligence and preparing, presenting and participating in all our interactions with potential buyers. He was instrumental in our final deal structuring and negotiation. He played a crucial role in our deal, and I don’t believe we would have been as successful without him.”

**TIM MURPHY, PREVIOUS
CEO/SHAREHOLDER**

Emmett was instrumental in my success as I transitioned into the company as CEO. His deep understanding of the business model’s key drivers and ability to quickly and succinctly convey the business’s historical, current, and future states were invaluable. Emmett was a crucial business partner and advisor...and played a pivotal in developing the growth strategy and onboarding a permanent CFO. Throughout our collaboration, it never felt like a fractional engagement; Emmett was an integral part of the team.

**NATE UNGEROTT, CEO CONSORTIUM
NETWORKS**



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1-Year Fractional/Interim CFO Case Study – delivering exceptional results Pre- and Post-deal.



Choosing Emmett and the TechCXO team was essential for enhancing our company's value in our sales process. Emmett's expertise and deep understanding of our business offered both our current management and prospective buyers an exceptional financial perspective. Working with Emmett was not only highly productive but also enjoyable, and I've subsequently appointed him as CFO for my current venture (Metrics That Matter) and wouldn't consider selling another company without his guidance.

Larry Pfeifer – Founder of Consortium Networks (seller)

M&A Process begins -> Bidder Selected -> Due Diligence -> Deal Closes					POST DEAL - Private Equity Ownership begins -> New CEO Appointed-> FinOps Improvements -> Internal Finance Function Established									
JUN	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN		
M&A Process Begins - Hire Fractional CFO	Indication of Interest (Iol) Stage	Letter of Intent (Lol) Stage	Bidder Selection & Exclusive Diligence	Deal closes	New Ownership Transition & Post-Closing	Former CEO/owner Departs	New CEO Appointed	Year 1 Budget & 5-year Strategic Plan	Ongoing FinOps Optimization	Year 1 GAAP Audit	Onboard FT CFO	Continued Strategic CFO Support		
<ul style="list-style-type: none"> Sell-side M&A Preparation Financial Model Build (Historical & Forecast) Accounting Policy Review & Documentation Quality of Earnings Report KPI & Customer Data analysis Bidder / Management Meetings Due Diligence Support Implement Monthly Forecasting and Reporting KPI reporting 			<ul style="list-style-type: none"> Due Diligence Support Negotiation of Purchase Price Adjustments Net Working Capital Indebtedness Post-close integration planning 		<ul style="list-style-type: none"> Onboarding of PE Investors and Lenders Post Closing Adjustments to Net Working Capital & Indebtedness Preparation of GAAP Opening Balance Sheet Hire Auditors Adoption of GAAP Accounting 			<ul style="list-style-type: none"> Support Smooth Transition of Incoming CEO Collaborate with New CEO on 2024 Budget Strategic investment scenarios 5-year Strategic Plan Begin build out of In-house finance team - onboard Director of Finance 			<ul style="list-style-type: none"> Sophisticated KPI Development and Reporting Packs for PE Investors FinOps improvements to Month-end close, Cash Flow reporting, and CRM reporting Implement Weekly Cash Flow & Treasury Modeling Lender Debt Covenant Reporting Assist with PEO selection & Implementation Audit Fieldwork support 		<ul style="list-style-type: none"> Onboard and transition to New Full-time CFO Successful Sign off on Year 1 Audit Continue to be a Strategic resource to the business 	

Starting Point:

- Owner operator led business experienced significant growth attracting institutional investors
- Barebones FinOps consisted of outsourced bookkeeping with heavy involvement of CEO
- Lacking bandwidth and expertise to facilitate & guide a highly competitive M&A Process
- Looking ahead, post-deal integration support needed to onboard change in ownership

12 months Later - Major Wins:

- Successful Exit for Owners and Onboarding of a New PE Partner and CEO
- Flourishing PE Portco with a new accelerated 5 year investment strategy
- Sophisticated Financial & KPI Reporting, Forecasting, & Modeling fit for Private Equity
- In-house Finance Function establish and full-time CFO onboarded
- Completion of first year GAAP audit