

Case Study

BUDGETING SUPPORT AND COST OPTIMIZATION - FINANCIAL SERVICES

SECTOR: FINANCIAL SERVICES

FP&A Process Development and Team Augmentation

Team Size: 1 Director (FP&A)

Project Duration: 5 months

Client Quotes:

"We had a need for a team leader to manage the upcoming year's budget and we reached out to Accordion. They brought in a high level FP&A resource who was extremely professional and was able to dive right into the organization, and work with all department heads to deliver an excellent work product in a timely and efficient manner."

- EVP & CEO

The Requirement

A leading provider of benefit solutions, insurance, wealth management and brokerage services, had recently been taken private by a financial sponsor for \$1.3 billion. The company is comprised of over 150 reporting entities, but lacked the internal finance and accounting resources to create a detailed financial forecasting plan. The company engaged Accordion to assist in the development of the company's first standalone budget, cash flow forecast and 5-year strategic investment plan.

The Execution

- Accordion immediately deployed one of its consultants, who has experience leading highly structured FP&A processes and engagements for companies like Heineken USA, Armored Autogroup and 1-800-Flowers.com.
- Accordion quickly developed an action timeline and held meetings with all relevant management stakeholders. We coordinated efforts across the company to collect and evaluate divisional revenue and expense budgets necessary to begin the rebuild. Accordion also met with departmental managers at the two largest administrative facilities located in New York, NY and Austin, TX to plan appropriate enterprise staffing levels, and developed the necessary architecture and granular detail to forecast expenses.
- While preparing the administrative department budgets, we worked closely with area management to re-allocate functional spending between departments, and implemented suggested improvements in the compensation, benefits and administrative budgeting process.
- The transition to a private company had specific accounting implications related to the company's new debt structure. Accordion reviewed the company's capital structure and worked with the CFO and accounting and treasury departments to ensure the proper adjustments were made to the balance sheet and cash flow models.
- The 5-year strategic investment plan involved a significant level of acquisitions. These investments were incorporated into the budget and the long-range operating plan, which had significant implications on the balance sheet and cash flow. These impacts were presented to the CFO and Treasury Vice President and Accordion transitioned the detailed plans and assumptions to the finance team.

The Resolution

- The detailed financial plan was successfully completed within the 5-month timeframe, and the company found the level of budgeting detail to be a necessary component in evaluating its ongoing management of each operating division.
- At the completion of the engagement, Accordion worked closely with the company's accounting team to provide budget information for their accruals and assisted them in understanding the required accounting changes. Accordion also worked closely with the new Treasury Vice President to assist him in improving the cash forecasting model, methodology and process.

