

Case Study

MERGER INTEGRATION AND BUDGETING SUPPORT - ENTERPRISE SOFTWARE

SECTOR: TECHNOLOGY

**Budgeting and Forecasting
Best Practices**

**Financial Planning and
Analysis**

Team Size: 1 Director, 1 Associate

Project Duration: 5 weeks

The Requirement – Budget for Newly Formed Entity

A large private equity firm had merged three enterprise software companies into one \$100MM+ entity, initiated several operational improvement initiatives and hired a new CEO and CFO to manage the firm in a span of four months. The new CFO had no FP&A resources to build a reliable budget for the company and board, and had no prior budget to use as a model. A year-end board meeting was one month away, and a proper budget was crucial for strategic decision-making.

The Execution – Engage Relevant Parties, Move Quickly & Define Process

- Accordion met with senior and mid-level executives to understand information flows and resource needs within the company, and to establish the optimal structure of the budget. The work plan and necessary resources were established in one week.
- Accordion built a bottoms-up revenue and operational model, pressure-testing revenue assumptions and probing departmental appropriation requests, working with people throughout the company to determine realistic funding needs versus available resources.
- Accordion provided extensive analyses to enable the company to examine the likely impact of several operational improvements and different revenue scenarios.
- Accordion structured a sustainable budgeting process and delegating ownership of the sub-processes to various department heads.

The Resolution – A Budget and Process, Ahead of Schedule

- Accordion delivered a thorough and robust operating plan for 2014 to the company's management team and Board of Directors in advance of the crucial meeting, which became the basis of future planning for all participants.
- Accordion documented the budgeting process and trained the new FP&A staff that had been hired during the project in its use and the various models and analyses weeks ahead of plan.
- In five weeks and less than the cost of a single FTE, Accordion built, in budget and process, the foundations of a high-performance FP&A group.
- The CFO has served as a reference for Accordion numerous times, impressed by our ability to move fast with experienced and highly targeted professionals, and make an impact quickly.

