



## CASE STUDY: CFO AND CONTROLLER SERVICES

FINANCIAL BUDGETING AND FORECASTING MODEL ▶ FINANCIAL REPORTS ▶ BANK REQUESTS  
RENEGOTIATIONS OF DEBT AND LINES OF CREDIT ▶ CASH FLOW SOLUTIONS  
FINANCIAL INTERPRETATION FOR CEO

### CLIENT:



National medical billing services company

10 years old

Multi-million dollar privately-owned company

### SITUATION:

After stepping away from the day-day operations to focus on strategy and growth, Pacific Medical Data Solutions CEO Jessica Stewart found herself re-immersed in the business at a time when cash flow was an issue.

The multi-million dollar national medical billing company was contending with cash flow and growth funding challenges and struggling to find the best route forward. They envisioned possibilities for Pacific Medical Data Solutions, but lacked the financial savvy to truly understand the big picture. Stewart hired VertexCFO as she wanted a strategic financial partner to help her navigate and implement the long-term financial and growth strategy of the company.

#### After due diligence, VertexCFO identified these key financial challenges the company was facing:

- Negative monthly cash flow
- Operating expenses had not been managed appropriately
- Budgets and forecasts were not comprehensive enough to provide adequate cash flow requirements for the company's growth strategy
- Strategic financial oversight was lacking
- Bank financing assistance for operating credit lines and term note renewals were required
- The financial reporting structure didn't provide adequate visibility into the operations of the company to make strategic decisions.

“While smaller companies don't need, and often can't afford, a full-time CFO, the CFO function and knowledge is critical in running a business.”

“VertexCFO built a financial model that gave me a clear picture of the true operating expenses and customer profitability, enabling me to formulate strategic decisions to turn the company cash flow positive, which set the company up for growth and scalability. The budget projection tool provided transparency and a visual on the financials projecting out three years, so I could make informed, sound decisions, and hold team members accountable.”

– JESSICA STEWART, CEO

## SOLUTION:

VertexCFO develops key finance and accounting tools for owners, including cash flow forecasting reports, financial forecast models, tax compliance support, performance reports, investment risk and opportunity analyses, and more.

VertexCFO went through a process of reviewing Pacific Medical Data Solutions' balance sheet, cash flow, and profit and loss statements. In addition, they updated the general ledger and financial reporting, moved from cash to accrual accounting, and conducted forecasting, budget and P&L analysis for the company.

The comprehensive model VertexCFO uses allows CEOs to identify the appropriate cost structure to fit the growth strategy and to fund growth.

The work was done efficiently and ultimately led to a financial model allowing Stewart to manage the business. VertexCFO's easily-digestible monthly financial reporting gives business owners the detailed information they need to run their business and confidently present to a board of directors or investors.

## RESULTS:

Pacific Medical Data Solutions now makes better informed decisions to run and grow the company. Stewart said, "VertexCFO is a master at knowing what to do. They've been able to quickly identify issues, problem-solve and offer solutions to increase financial performance and help me and the company make smart decisions."

VertexCFO has built a solid partnership with Pacific Medical Data Solutions by understanding their business, dissecting their problems and offering solutions. They've helped position the company for scalability.

Stewart says that her VertexCFO is a true confidant. "Not only is he a confidant, but he's our CFO. I lean on him as any CEO leans on their internal CFO."

### Key accomplishments achieved by VertexCFO:

- Brought visibility and transparency to the financial aspect of the business so CEO could make decisions
- Produced high-level financial reports
- Developed full financial budgeting and forecasting model
- Established the high-level executive relationship that a CEO and CFO need, enabling the CEO to make better informed decisions to run and grow the company
- Resolved the cash flow issue in 45 days

Bringing high-quality leadership skills and a rounded breadth of experience, VertexCFO helped Pacific Medical Data Solutions not only with tracking cash flow and financial planning, but with analyzing the company's financial strengths and weaknesses and implementing corrective actions. Clear communication and adaptability remain the hallmarks of VertexCFO.

"We were more than numbers on a balance sheet. VertexCFO took the time and effort to understand us as a company, and as individuals with goals and hopes."

"In essence, the VertexCFO Financial Model gave me the information I needed to run the business."

– JESSICA STEWART, CEO



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