



AT A GLANCE

TATUM CFO SERVICES

PowerDirect Marketing desired a veteran, CFO-quality financial leader. Tatum provided part-time financial expertise and strategic leadership to quickly help manage current situations and plan for growth.

TATUM CONTROLLER SERVICES

Absence of needed accounting and financial reporting acumen forces PowerDirect's management to sublimate strategic initiatives to daily operations. Tatum established and oversaw the controller function to manage effective financial operations, freeing management to focus on growth strategies.

TATUM CONSULTING

PowerDirect Marketing needed strategic guidance to help focus fast-growing company on new opportunities. Tatum established ongoing routines and systems for strategic review, leading to introduction of new product and organizational breakthroughs.

A high-growth start-up needs financial expertise and strategic guidance to take them to the next level.

Brief Overview

For most people in the direct-marketing business, the printed advertisements known as “door-hangers” have usually been thought of as inexpensive marketing devices for mom-and-pop retailers. But in the winter of 2001, when a young marketing professional named Bill Borneman happened to grab a door-hanger on his way to work, he saw something entirely different: a chance to transform a category.

Borneman imagined marrying the eye-catching impact of colorful, oversized printed postcards with the humble door-hanger medium to produce an attention-getting, cost-effective marketing hybrid. Borneman started PowerDirect Marketing in 2002 with a goal of elevating the status and marketing impact of a vehicle few sophisticated marketers took seriously at the time.

Since then, California-based PowerDirect has grown into a 40-person company that orchestrates direct-marketing campaigns for some of the most prominent advertising agencies and consumer brands in the United States. It specializes in all-inclusive to-the-door marketing packages consisting of oversized, high-quality door hangers, national distribution of marketing campaigns, and comprehensive data and analytical capabilities.

Situation

When PowerDirect launched its operations in 2002, the company was made up of “two guys and a golden retriever,” recalls Sue Sampson, a former Procter & Gamble marketing executive and PowerDirect co-owner.

But the company's size and scope quickly swelled as customers ranging from Home Depot to the large global advertising agency Starcom MediVest began to embrace PowerDirect's concept in their targeted-marketing efforts. PowerDirect has nearly doubled its revenue each year since, and like many entrepreneurial start-ups, quickly realized it needed expertise to manage the financial aspects of its red-hot growth pace. “We didn't have the financial guidance we needed at all,” says Sampson.

Sampson says PowerDirect wasn't big enough to support a full-time CFO yet needed more than just basic accounting assistance. Hoping not only to

“We have really made major progress and we attribute an awful lot of that to Tatum.”

– Sue Sampson, Co-owner and Vice President of Marketing, PowerDirect

organize its financial reporting but to gain strategic guidance and leadership for its future, PowerDirect began to look for outside help.

Why Tatum

PowerDirect was concerned about finding an executive who could mesh well with the youthful culture of a southern California business that represented equal parts business agility and creative pursuit. “Before Tatum, the people we had talked to had strictly manufacturing backgrounds,” says Sampson. “We’re in the media business, which is very different.” Also, PowerDirect wanted the expertise and capability of an experienced CFO combined with the flexibility and efficiency of a part-time contributor. PowerDirect found the ideal fit in Tatum.

Results

Tatum swiftly supplied a welcome dose of near-term financial management along with some long-range planning and strategic guidance. Among its first contributions, Tatum identified and brought aboard a controller who helped manage PowerDirect’s rising tide of bookkeeping and accounting tasks. On Tatum’s recommendation, PowerDirect enlisted a new business bank based in California that was better aligned geographically and in its understanding of the marketing business.

In addition to serving as the part-time CFO, Tatum produced a new series of financial reports allowing PowerDirect’s management to gain a deeper understanding of the company’s financial position. These reports combined with Tatum’s keen insight helped PowerDirect transform from “feeling out of control” to proactively managing operations.

Tatum also reformulated the company’s accounting approaches. By shifting PowerDirect’s revenue-recognition process, applying new metrics to help understand key profitability drivers and moving the company to the more powerful MAS-200 platform, Tatum overhauled PowerDirect’s accounting systems to give management a clearer picture of business performance.

But Tatum’s role quickly blossomed beyond the original accounting and internal reporting focus. On the strategic side, Tatum instituted procedures to ensure a stronger management focus on growth possibilities and on adhering to long-range business agendas.

“Tatum has really taken over the role of our reigning strategic guidance officer.”

– Sue Sampson, Co-owner and Vice President of Marketing, PowerDirect

A series of quarterly senior management meetings put in place by Tatum has fostered greater emphasis on strategic thinking. “It really makes us set objectives, goals and strategies,” says Sampson. “It forces us to think strategically.”

That bigger-picture emphasis has helped PowerDirect formulate new growth strategies including a newly introduced “one-two punch” combining door hanger advertising with mailed postcards that blanket both densely populated neighborhoods and outlying communities with high-impact marketing messages. The company also has shifted its approach to recruiting and hiring local-market distribution supervisors as it pursues new efficiency and reliability levels for the door-to-door advertising category.

Fulfilling those longer-term objectives is important for PowerDirect as it makes the transformation from go-go startup to a thriving, growth-minded business with dozens of employees and a rising national profile. “We have really made major progress and I attribute an awful lot of that to Tatum,” says Sampson. 

About Tatum

Companies turn to Tatum when critical business challenges arise because we immediately deliver C-level financial and technology operational expertise via solutions tailored to the Office of the CFO. We understand the urgency of NOW and our VELOCI-T solutions were designed to help business leaders accelerate results to *create more value™*.