

Client Value Study

The Linc Group

Brief Overview

The Linc Group (TLG) is a \$600 million, privately owned provider of facilities management and building systems services. TLG provides on-site integrated facility operations and management services; mission critical government support; commercial mobile heating, ventilation, and air condition (HVAC) services; lighting and electrical maintenance and repair; and bundled energy solutions. Collectively, TLG companies service more than 20,000 facilities in 45 states and internationally with 4,100 employees.

The Linc Group was well-positioned to consider acquisition for expansion and diversification, but with several potential transactions on the horizon, the finance team was facing a formidable challenge. In addition to their “day job,” the CFO and his team needed to focus considerable attention on due diligence of several acquisition targets and pursuing the required capital to fund these large investments.

Situation

TLG needed immediate, hands-on support to prepare the year-end close and two audit opinions, provide management for routine monthly accounting, and prepare financial statements for the bank and board. Vacancies in key positions in the finance

organization added to the demanding workload. They needed a long-term plan for organizational and operational changes to provide appropriate financial leadership and support for the growing organization.

“We needed additional resources to roll out several PeopleSoft enhancements, and to develop consistent accounting processes across business units to ensure GAAP compliance,” says Joe Franz, CFO.

Why Tatum

Tatum had previously provided an assessment of the Office of the CFO, and citing Tatum’s strong relevant experience and flexible approach, The Linc Group selected Tatum again. At a post-Thanksgiving meeting, TLG laid out their situation, and by mid-December Tatum provided an Interim Chief Accounting Officer (CAO) to get started.

Using Tatum’s proprietary CFO Agenda™ as a roadmap, the CAO immediately assessed the situation, assumed control of the normal accounting process, evaluated priorities and identified opportunities to make routine processes more efficient and effective. To streamline oversight of the closing process, Tatum created a dashboard that allowed the CFO to see the status of the closing activities at a glance.

An expanding building management firm needs operational expertise to prepare for a year-end close and routine audit procedures.

SITUATION

TLG unexpectedly lost its Corporate Controller, adding pressure to the already stretched thin accounting team.

TATUM SERVICE

Tatum Talent:
Tatum provided a permanent resource to get the corporate ledgers closed and produced monthly management reporting packages.

SITUATION

The Linc Group’s CFO needed to delegate accounting oversight to focus on strategic finance responsibilities for acquisition due diligence and raising capital.

TATUM SERVICE

Tatum Executive Services :
Tatum provided an Interim CAO, freeing the CFO to focus on strategic finance, completed four major acquisitions and associated debt financing, and added \$71 million in value to The Linc group.

SITUATION

Month-end close and audit preparation was inefficient and needed stronger oversight.

TATUM SERVICE

Tatum Consulting – Accounting & Financial Services :
Tatum analyzed, revised and documented processes, and created checklists and dashboards to provide faster and more efficient closing and audit processes.

"It is invaluable to us to have a group of financial and accounting professionals whom we know and trust, and who know our company, systems and culture so well." Joe Franz , Chief Financial Officer, The Linc Group

Results

Tatum's Interim CAO recognized the critical need to off-load routine responsibilities from the CFO so that he could focus on strategic financial investment and capital acquisition. Treasury also presented improvement opportunities, so Tatum provided a resource to perform daily tasks and document activities, thus freeing up time for the Treasurer to support the CFO's debt financing.

While Tatum was onsite, the department took the opportunity to reexamine all processes and tools, as well as update their knowledge of software applications and resources to optimize efficiencies. In addition, Tatum's recruiting team helped TLG hire permanent employees, transitioning knowledge to the new staff.

Tatum's CAO worked with The Linc Group to create detailed policies for account reconciliation and with tighter procedures and timely review of reconciliations in place, business units became audit-ready each month.

To help management plan appropriately for its continued explosive growth, Tatum provided a roadmap to \$1 billion in sales. Now TLG's executives can better forecast when to add personnel and determine how best to allocate responsibilities as the company grows. "We now have a stable of 4-5 Tatum professionals who can step in, and hit the ground running to resolve problems, improve processes or just get the job done in our fast-growing organization," says Franz. Having tripled in size from 2005 to 2008, TLG may need a plan for the second billion in sales soon.



About Tatum, LLC

Companies turn to Tatum when critical business challenges arise because we immediately deliver financial and technology operational expertise via solutions tailored to the Office of the CFO. We understand the urgency of NOW and we leverage nearly 1,000 executives and consulting professionals nationwide to accelerate results to create more value.™

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