



BLUEWOLF

## AT A GLANCE

### TATUM CFO SERVICES

Blue Wolf became the DIP lender when Platform Learning filed bankruptcy. Tatum's interim CFO provided necessary leadership to bring company to the next level.

### TATUM RESTRUCTURING SERVICES

Tatum's interim CFO was brought in to support and bolster the existing finance team when Blue Wolf needed to improve its financial controls and strengthen its finance department.

### TATUM FINANCIAL LEADERSHIP & SERVICES, BUSINESS OPERATIONS & TECHNOLOGY SERVICES, SEARCH SERVICES

Blue Wolf became the DIP lender when Gloucester Engineering filed bankruptcy. Tatum professionals helped rebuild the financial function and reduce the company's fixed-cost base. Additionally, Tatum helped select and implement an ERP system as well as searched for and hired a new VP of Finance.

## Blue Wolf Capital Partners enhances performance across the portfolio.

### Brief Overview

Just as a strong company needs a strong financial operation, a private equity firm often needs experienced, trusted guidance in turning its portfolio companies into successful, thriving investments. That's why many private equity firms turn to Tatum for portfolio company services, particularly those centered on the office of the CFO.

Private equity groups of all sizes with investments in companies in a wide range of industries and services have been return clients for Tatum for many years. One of these is Blue Wolf Capital Partners.

Blue Wolf's investment philosophy is to take fundamentally sound middle market companies that are experiencing organizational dysfunction and to turn them around to create value. They specialize in complex situations with multiple constituencies, such as unions and government entities.

"At Blue Wolf, we're investors – that's what we do. We don't specialize in executive search or finance operations. That's where we look to professional service providers for expertise," said Michael Ranson, partner with Blue Wolf Capital Partners. "Tatum has a very deep bench – and a broad range as well."

According to Ranson, Tatum professionals have experience with every kind of roadblock, the ability to dive into situations and work quickly, and perhaps most important, a track record that promotes trust.

### Situation

Since 2005, shortly after the private equity firm was founded, Blue Wolf has looked to Tatum for three engagements in three diverse industries: education, health and manufacturing. Services started with Tatum's nationally known interim CFO practice and then expanded to Tatum's executive search and information technology business lines.

Through these very different engagements, Tatum showed its breadth in being able to work the full range of needs for private equity firms—from driving a company forward to guiding it through the investment-sale cycle.

When working with Blue Wolf, said Ranson, Tatum was guided by the firm's needs, asking questions to determine where the firm wants to be with its portfolio companies and helping map out the plan to get it there.

*"Tatum brought in a team that could walk immediately into a situation that was a mess and start putting out fires."*

- Michael Ranson, Partner, Blue Wolf Capital Partners

Often, the interim CFO provides insight into other company needs. “With Tatum operating as interim CFO, they can see clearly what’s needed in an executive search, for instance, or what the company needs in IT for its finance operations,” said Ranson. “While a company CEO can communicate in broad terms what a company needs, he or she would not be able to be as specific as Tatum who is working closely with these processes.”

### Why Tatum

Private equity firms like Blue Wolf appreciate that Tatum professionals can start delivering value at a portfolio company from the first day. Tatum professionals have 15 to 30 years of experience. They have been in the trenches and those they work with soon realize and respect that.

“A company may have a terrific CFO, but dysfunction in the finance department,” said Ranson. “With Gloucester Engineering [one of Blue Wolf’s portfolio companies], we needed a very experienced hand. Tatum brought in a team that could walk immediately into a situation that was a mess and start putting out fires.”

Tatum’s ability to work well with existing personnel and circumstances was another factor that brought Blue Wolf back. Tatum is able to position itself to “pass the baton,” Ranson said, aiding those with new or changing roles in the company by setting them up with the tools, processes and management they need for success.

But the greatest factor in establishing a recurring business relationship is trust – particularly for private equity firms where multiple stakeholders are depending on a strong execution.

*“One thing I appreciate about Tatum is that they treat the company’s money and Blue Wolf’s money as if it were their own money. Tatum is a trusted advisor. I trust them to tell us what’s really going on and not simply rack up time”*

– Michael Ranson, Partner,  
Blue Wolf Capital Partners

### Results

In Tatum’s first engagement with Blue Wolf, its interim CFO services facilitated the accelerated growth, infrastructure support and leadership needed to bring education company Platform Learning to the next level.

When Tatum was brought in again to help Blue Wolf portfolio company Healthcare Laundry Systems emerge from financial distress, Tatum delivered an interim CFO who could help turn the company around within three to five years, steering operations from the initial investment through the sale of the portfolio company.

For its third engagement with Blue Wolf, Tatum was initially brought

in to provide an interim CFO for Gloucester Engineering. However, Tatum subsequently provided a CFO assessment and roadmap, finance function leadership and support, IT assistance, and executive search. Over the course of 18 months, Gloucester went from facing liquidation to emerging from bankruptcy with cash break-even and more than \$12 million in orders. Tatum:

- ... transformed a dysfunctional finance staff into a cohesive unit
- ... partnered with operating executives to achieve a significant reduction in fixed costs
- ... guided the selection and implementation of an ERP system
- ... conducted a successful search for a VP of Finance

Developing a long-term relationship with an executive services firm benefits both parties, according to Ranson. “In choosing executive services, you look for an alignment of incentives. There’s a real alignment between Tatum’s desire to build long-term relationships and our mission. It means they’re focused solely on the business and on Blue Wolf’s investments. That resonated with us, and we appreciate that.”

Improving a company becomes “seamless” with Tatum providing the expanded services. Ranson said, “We know when we call on Tatum, they’re familiar with our investment approach and can expedite matters and help us become impactful more quickly.” 

### 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*™.