



## AT A GLANCE

### FINANCIAL PROCESS & REPORTING IMPROVEMENT, INTERNAL CONTROLS AND RISK SOLUTIONS

Guided by Tatum, the company developed new processes, controls and its first-ever audited financials increasing bank and supplier confidence and credit lines.

### INTERIM EXECUTIVE SERVICES, EXECUTIVE SEARCH

Led by an experienced Tatum CFO and controller, O'Rourke Petroleum strategically grew its finance and accounting departments to meet demands in reporting, risk management and daily operations.

## Tatum helps acquisitive petroleum distributor develop infrastructure and resources for growth.

### Brief Overview

Founded by Gene O'Rourke in 1932, O'Rourke Petroleum has delivered petroleum products and services for more than 75 years. Since 2005, the Houston-based company has grown from 65 employees serving mostly local customers to a staff of 120 that is expanding offerings across the region.

A trend toward consolidation has spurred many family-owned fuel and lubricant providers to sell their firms to larger companies. By contrast, O'Rourke Petroleum is aiming to become an industry leader. Actions toward this goal have included acquisitions such as the recent purchase of the Dallas division of Commercial Lubricants and the launch of new divisions like O'Rourke Marine Services.

In addition to market conditions, culture drives the company's ambitious growth strategy. Led by President Mushahid Khan, O'Rourke Petroleum operates with emphasis on intellectual curiosity, an openness to new ideas and a willingness to invest in outside expertise, advice and resources as needed.

### Situation

Seeing O'Rourke Petroleum was "outrunning its ability to execute," Khan realized the company needed to ramp up key parts of the business especially financial operations and risk management. Insufficient investment in financial leadership and infrastructure threatened to hinder access to the amount of funding needed for future acquisitions and expansion.

"If you arrive at a point and realize you don't have the people and tools, you become a classic victim of your own growth," Khan said.

In order to gain expanded credit limits and more liberal loan covenants, O'Rourke Petroleum would have to assure commercial lenders reporting was complete and transparent and monthly financials could stand up to outside scrutiny. This would require new and stronger controls in areas such as internal contracting and purchasing.

Another need was for more robust financial staffing such as in-house expertise in commodity hedging to manage the increased risk exposure incurred by larger fuel purchases. Khan realized he couldn't continue to run the financial side of this growing company while concurrently serving in his role as president. For the first time ever, O'Rourke Petroleum would seek a chief financial officer.

*"Having a Tatum partner says we're serious about what we're doing."*

- Mushahid Khan, President, O'Rourke Petroleum



## Why Tatum

A strong proponent of tapping the best talent available for the job at hand, Khan sought outside help. This search led him to Tatum a firm whose senior-level executives bring not only extensive business experience but also valuable industry connections and credibility. "Tatum has a very good reputation in the marketplace," said Khan.

Once on board, Tatum quickly got up to speed with the complexities of O'Rourke Petroleum's operations. Led by an experienced executive who now serves permanently as the company's CFO, the team built out processes that were lacking or not yet ready to stand up to outside scrutiny. "Tatum was uniquely able to quickly assess needs and respond immediately with resources at various skill and cost levels," said Khan.

As Tatum addressed known issues, it uncovered others. One example was O'Rourke Petroleum's need for a controller in addition to the CFO. Tatum helped with the search process and brought in an interim controller during recruiting. Tatum also helped the company hire "ahead of the curve" to build up its accounting team.

"Tatum put together vision and plan to build what the business needed, then recruited people with skills and experience to fit the culture,"

Mushahid Khan, President, O'Rourke Petroleum. He also touted Tatum's "philosophical" strengths.

*"Tatum is good at asking the what-if questions I sometimes forget to ask in my growth mindset."*

- Mushahid Khan, President, O'Rourke Petroleum

## Results


Executive and staffing support represented only part of how Tatum helped O'Rourke Petroleum develop the kind of operational infrastructure banks and suppliers reward with expanded credit.

To minimize the risk of bank or vendor fraud, Tatum worked with the company to implement stronger internal purchasing and vendor qualification controls and treasury controls. The team also reviewed and revised the firm's insurance program making changes to expand coverage and eliminate gaps.

Contract management was another priority. Tatum underwent a contract review process to make sure each agreement received the appropriate level of scrutiny; and, that staff were using the most up-to-date version of agreements. "This seems simple," said Khan, "but in a growth company like ours, document control is not usually at the top of the list."

Tatum also honored O'Rourke Petroleum's strategic initiative to use IT when possible. For example, an automated "virtual legal office" set up through Microsoft SharePoint gave outside attorneys the ability to work as if they were in house increasing efficiency while decreasing liability risk. In addition by automating the daily lockbox transfer and uploading receipts directly into the ERP system, Tatum cut in half the time clerical staff needed to complete this task.

This expanded, improved infrastructure and operations helped O'Rourke Petroleum move to the next level. The company prepared audited financial statements for the first time and received only minor comments during the audit. Before and after these audited statements were prepared, Tatum was able to help negotiate expanded credit with crucial suppliers.

However, this is only one way Khan sees Tatum providing O'Rourke Petroleum with support as its growth initiatives continue to unfold. "With Tatum's interim solutions, core team support and help with resource gaps," he said, the company "will be able to move more aggressively toward acquisitions." 

## 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*™.