finity

Your **Financial Clarity** Partner

Case Study

Finance Function Transformation

Transforming a Claiming Client's Finance Team

finity overhauled the client's unscalable, manual finance function, transforming it into a streamlined team that delivered real time business insights that directly underpinned a successful exit

Client Challenge	finity Solution
Ineffective Financial Statements	Insightful financial analysis
Completely Manual	Automated processes
Deliverables took months	Real time reporting
No financial forecasting or planning	Fully functional FP&A Team
Non-compliant processes	Audit prepared processes

Results

1.5x Increase in EV / ARR multiple

Over ~$400k / year in savings

Customers doubled with a leaner finance team

Cut reporting time from months to days

Finance Transformation Case Study Details

Business Overview

- Cloud-based platform that streamlines special services documentation and Medicaid claiming for K–12 schools
- Automates data entry with state government claiming integrations and offers real-time analytics for visibility
- In over 800 districts and +300 schools

Situation

- The finance function was entirely manual, causing inefficiencies and delayed decision-making
- With over 600 accounts in the P&L, extracting actionable insights was nearly impossible
- The finance team missed deadlines, providing inaccurate financials and poor audit preparedness
- Business leaders lacked visibility into key financial drivers and cash flow
- There was no formal FP&A function, leaving the company without structured forecasting

finity Actions

- Rationalize and reduce the chart of accounts to simplify financial reporting
- Deploy tagging in the ERP system to streamline accounts and provide richer more reliable financial reporting
- Collaborated with the ERP vendor to automate manual tasks and deploy scalable processes
- Build dynamic business insight tools to provide real time data on business performance
- Replace the Director of Finance and COO with a more cost effective headcount, train, and provide support as needed

Result

- The business grew 75% in ARR over two years
- Successfully passed two audits and reduced annual expenses by $400k
- Facilitated a successful exit and drove the original purchase multiple from 5x in 2021 to 6.5x at close in 2024

Updating the Accounting

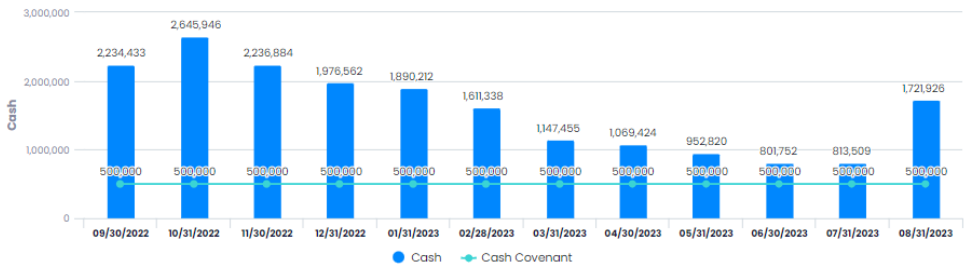
finity supercharged its clients accounting function through streamlined practices and automation

P&L

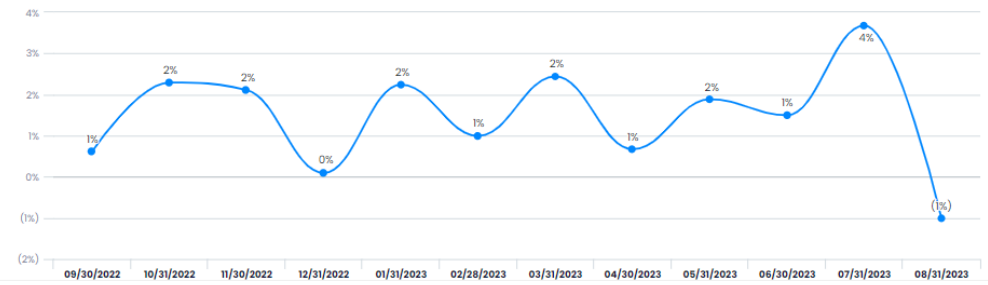
	Sep 2022	Oct 2022	Nov 2022	Dec 2022	2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	YTD Actual	YTD Plan	Variance
Revenue	**352,896**	**360,138**	**400,245**	**510,270**	**4,857,016**	**460,002**	**415,010**	**469,761**	**456,045**	**491,348**	**506,433**	**611,565**	**455,046**	**3,865,210**	**3,510,979**	***10.1%***
Customer Support	35,368	35,435	36,714	52,763	466,952	38,160	42,023	50,811	48,684	59,234	74,073	52,465	50,289	415,738	323,711	*28.4%*
Non-Headcount COGS	45,713	43,487	45,375	41,747	546,171	39,391	39,728	39,711	40,024	40,265	40,299	32,292	25,974	297,682	61,889	*381.0%*
Gross Profit	**271,815**	**281,216**	**318,156**	**415,761**	**3,843,892**	**382,451**	**333,259**	**379,239**	**367,337**	**391,849**	**392,061**	**526,809**	**378,784**	**3,151,790**	**3,125,379**	***0.8%***
Operating Expenses																
Sales & Marketing	**940**	**2,689**	**8,549**					**69,389**	**55,248**	**50,608**	**111,693**	**60,595**	**53,933**	**584,184**	**637,305**	***(8.3%)***
Payroll Expense	-	-	-					58,056	46,361	42,323	100,587	48,121	45,234	490,529	546,123	*(10.2%)*
Non-Payroll Expense	940	1,265	6,183					6,726	4,064	8,235	10,301	11,040	8,113	72,735	31,356	*132.0%*
Partner Fees	-	-	-					-	-	-	-	-	-	-	-	
S&M - Program Spend	-	1,425	2,366					4,608	4,822	50	805	1,434	586	20,919	59,826	*(65.0%)*
Products	**-**	**37**	**16,139**					**184,143**	**132,153**	**158,705**	**172,237**	**189,548**	**216,044**	**1,410,443**	**1,465,185**	***(3.7%)***
Payroll Expense	-	-	-					83,951	67,837	79,695	119,700	88,413	135,237	730,097	1,214,765	*(39.9%)*
Non-Payroll Expense	-	37	16,139					100,192	64,316	79,010	52,538	101,135	80,807	680,346	250,420	*171.7%*
Customer Success	**-**	**-**	**160**	**20,**		**56,923**	**73,347**	**106,677**	**66,486**	**68,729**	**87,162**	**84,140**	**82,511**	**625,975**	**630,216**	***(0.7%)***
Payroll Expense	-	-	-	19	19,651	55,174	59,041	97,402	63,258	61,486	84,633	73,251	81,034	575,279	520,488	*10.5%*
Non-Payroll Expense	-	-	160	1	1,245	1,749	14,306	9,275	3,228	7,242	2,528	10,889	1,477	50,696	109,729	*(53.8%)*
General & Administrative	**2,587**	**1,829**	**23,145**	**1**	**184,905**	**129,829**	**122,197**	**138,349**	**112,669**	**101,686**	**128,537**	**155,262**	**155,546**	**1,044,077**	**897,000**	***16.4%***
Payroll Expense	-	-	-	,390	71,113	69,420	58,562	79,024	58,522	63,564	98,957	68,951	107,141	604,142	558,226	*8.2%*
Non-Payroll Expense	2,587	1,829	22,796	62,255	111,335	60,409	63,635	58,543	48,780	38,122	28,950	86,311	48,405	433,155	338,773	*27.9%*
Unclassified Expenses	**418,629**	**398,001**	**349,485**	**344,083**	**4,375,858**	**6,992**	**2,610**	**2,610**	**2,610**	**5,093**	**13,288**	**2,819**	**3,732**	**39,754**	**291,916**	***(86.4%)***
Operating Expense	422,156	402,556	397,478	658,156	4,768,470	399,534	532,693	501,169	369,167	384,820	512,917	492,366	511,766	3,704,432	3,921,622	*(5.5%)*
Operating Income	**(150,341)**	**(121,340)**	**(79,323)**	**(242,395)**	**(924,578)**	**(17,083)**	**(199,434)**	**(121,930)**	**(1,829)**	**7,029**	**(120,856)**	**34,443**	**(132,983)**	**(552,642)**	**(796,243)**	***(30.6%)***
Interest	44,532	46,189	44,872	46,542	536,754	46,722	42,364	46,260	43,820	45,280	45,420	45,280	45,319	360,466	381,336	*(5.5%)*

Simplified accounting to reduce work and maximize financial insight

Cash & Minimum Cash Covenant



M-o-M LTM Revenue Growth Rate



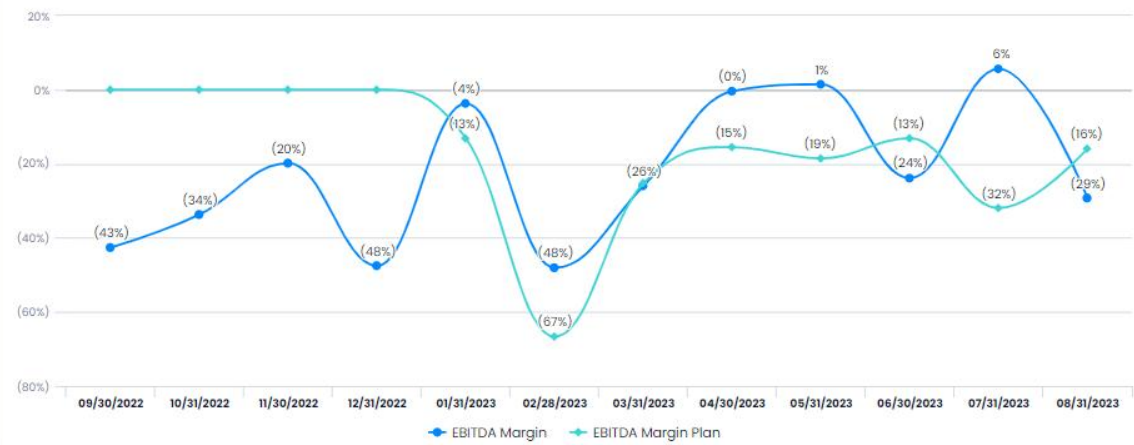
Set Foundational Financial Reporting

Delivered sharper reporting and jumpstarted FP&A to turn data into forward-looking decisions

Gross Margin to Plan

Start reporting on financial fundamentals and building budgets

EBITDA Margin to Plan



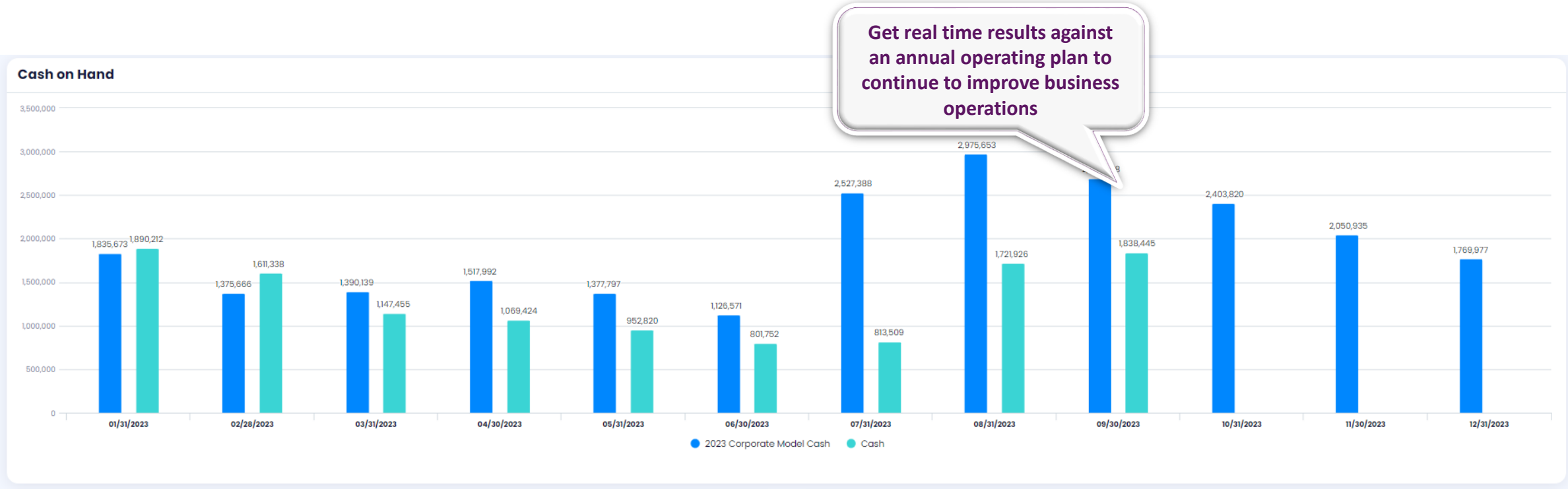
LTM EBITDA Margin

DSO & DPO

Identify key business drivers and insights to optimize for cash and the business

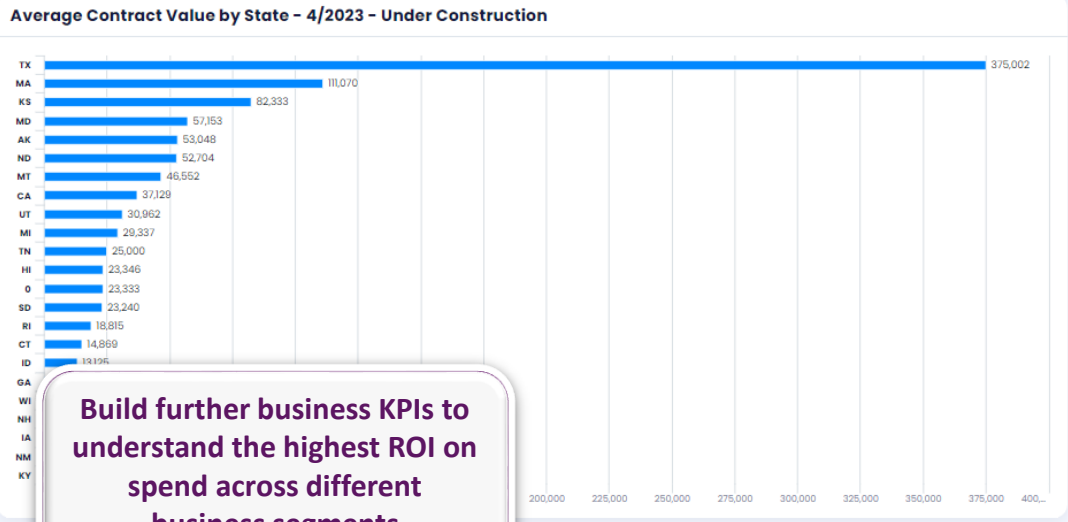
Building Operational Insight

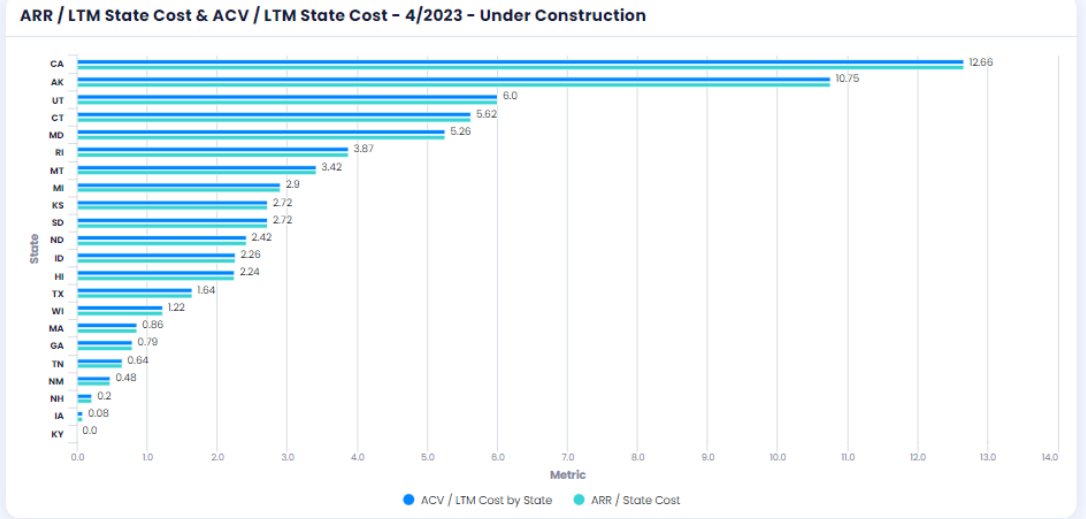
The team unlocked real-time insights that immediately began shaping how the business operated



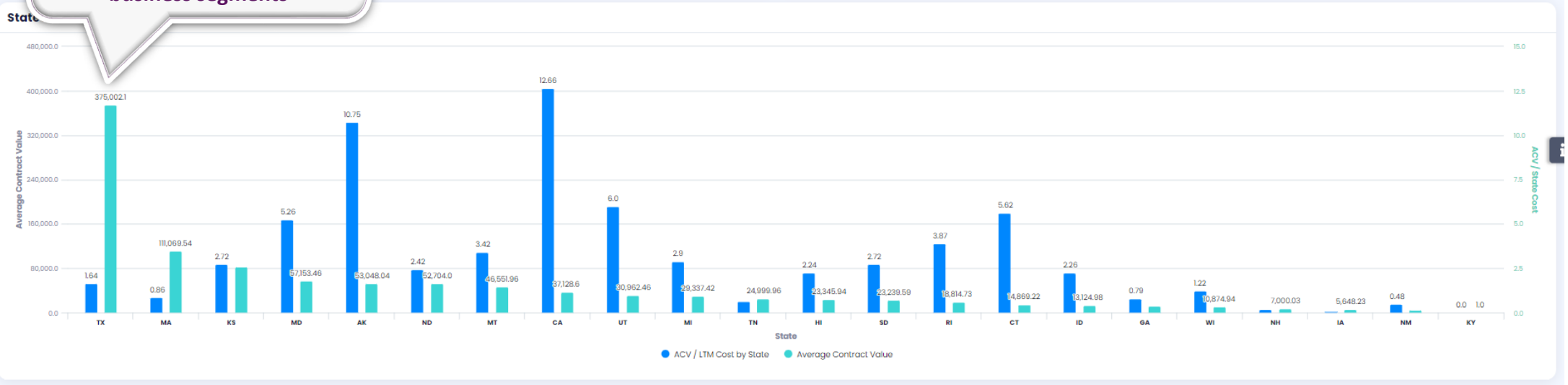
Deep Business Insights

A well-functioning finance team with strong accounting, automated processes, and live reporting empowered finance pros to drive deeper, more insightful business analytics





Build further business KPIs to understand the highest ROI on spend across different business segments



Find out more at

finitynow.com