



CASE STUDY

OPENING THE CURTAIN

The problem

A financial firm brought me in during an explosive growth period. They invest in hard to value assets that banks won't touch, providing companies with cash flow and making their money when those assets pay off. They were at \$300MM at saw the opportunity to get to \$1BN in invested assets.

The issue was this, not all of the business units were performing at the same level. All of the business units had access to the same capital, the same internal resources in the back office, and the same brainpower, but their results were wildly different. They wanted to know if I could help figure out how to bring those units up to speed.

The solution they could live with

I stated sitting in on their meetings and looking through the deal flow of each business unit, noting differences and similarities. I questioned staff, business development people, and clients. One thing nagged at me as I went through this process. The company was less than five years old but you could make the argument that their initial business unit, the one that provided most of the income, was ten to fifteen years in existence because they had been working in the space for that amount of time. It didn't operate like a startup. That business unit's model had been created and was being scaled.

Contrasted against that were the other business units. Some of them were brand new to everyone in the company. Those units were in startup mode, searching for the model. The issue with that was that the measurements of each business unit were the same across the board. The startup unit was held to the same criteria and standards as the established businesses. We needed to change how each business unit was viewed internally, startup or scaling or ongoing concern, and use measurements that fit each stage.

The result

When this insight was revealed, it was like a curtain had been opened in a dark room and light came pouring in. The insight fit and with it, the unit managers and top management had a common language they could communicate with.

Instantly, they reorganized to take advantage of the different stages the businesses were in, orchestrated the purchase of businesses that were at scale in the newer niches and more than doubled their invested assets in under a year.



IN BRIEF

Financial firm wanted help with slow growth units.

My unique insight is that company is a startup, but all units are not startups.

Introduced a new frame for viewing unit performance.

Investments doubled by reallocating assets and using new metrics.