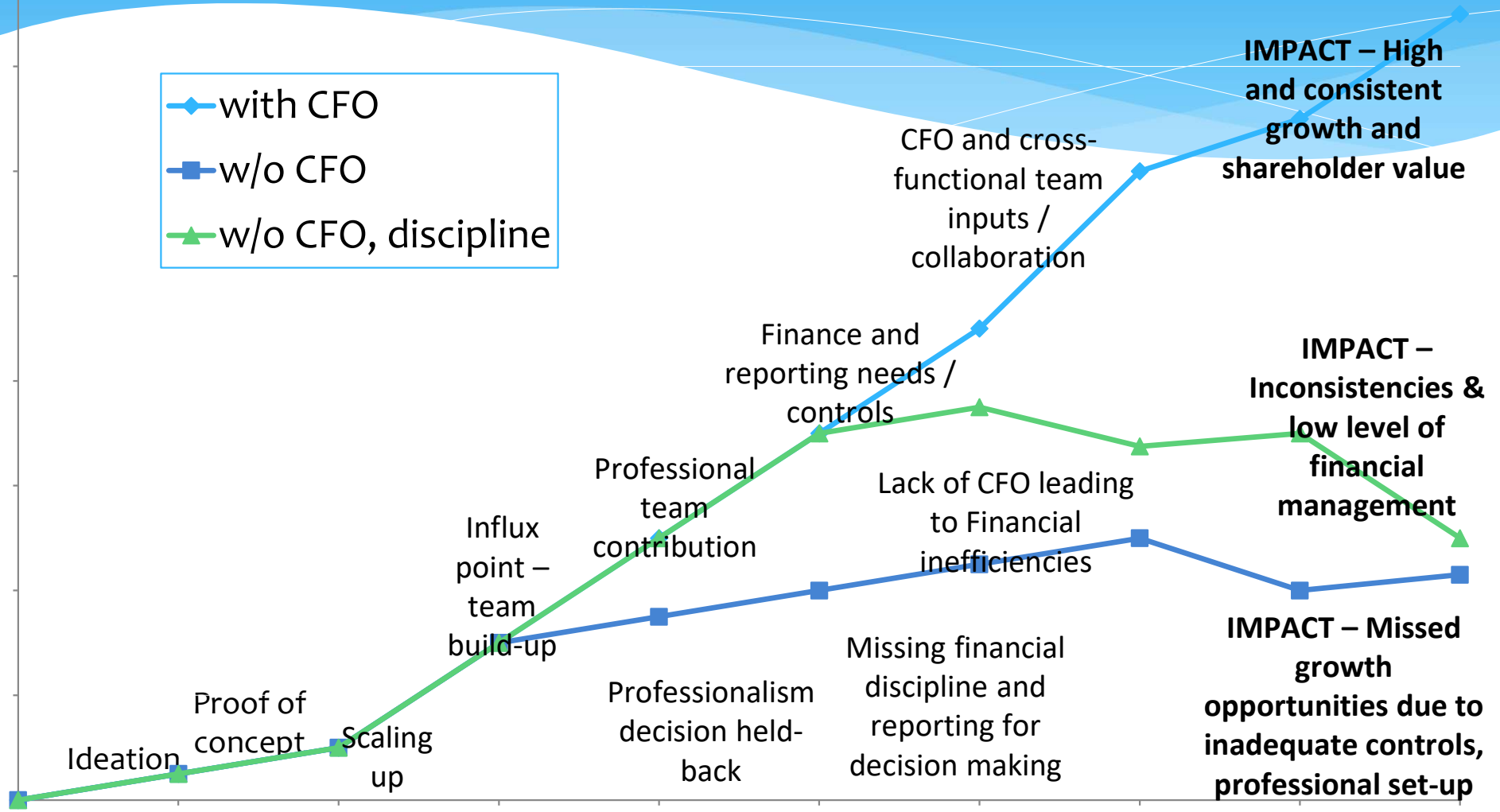


**Best Financial Practices based on  
CMV model – Cash flow, Margin & Valuation Improvement  
CFO Services Mandates  
Case Studies  
Family Owned & Diversified Businesses**

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# Typical Business Owner/CEO-CFO Partnership cycle

16



# Navigator of the business

Promoter is the Owner

CEO is the driver



CFO is the NAVIGATOR  
with an important role to  
ensure that the Ship does  
not loose its way



# 4C's : Digital Controllership/CFO



## Cash flow management –

- ✓ Managing right time and accurate billing
- ✓ Collection process – Debtors management
- ✓ Working capital cycle
- ✓ Sourcing finance at right time at right price

## Controls –

- ✓ Internal control to be built-in for –
- ✓ Billing & Collection
- ✓ Inventory & Time management
- ✓ Operational inputs with finance MIS

Key elements Digital Transformation

## Closing process –

- ✓ Running time-table for monthly closing of books
- ✓ Deriving reporting requirements out of books – MIS reports
- ✓ Timely Board reports and discussion with senior management, highlighting exceptions and operational KPIs

## Compliance management –

- ✓ Define calendar for compliance timelines
- ✓ Track developments in the laws and its impact on business model
- ✓ Timely review by independent expert to ensure complete compliance

# Implementing CFO Services

Key benefits to business owners with IxCFO lies in –

- \* Clear identification of scope and timeline to define and meet expectation on deliverables with CFO leadership
- \* Deep dive into the area under scope – Improvising existing system and process (IT/Non-IT) with constant innovation based on experience and collective knowledge management @ IxCFO
- \* Differentiating experience with our *hands-on* approach as Implementation role and not just an advisory
- \* Regular interaction / meeting with business owner updating the engagement matrix
- \* Measurable & Quantifiable Matrix and seeking feedback
- \* Migrate from Traditional CFO/Digital Controllership (Tx & Fx) to more strategic transformative role (Ix) as assignment progresses

# Case Study: A

- \* Co. A a leading technology solutions provider based out of Pune providing development solutions to clients Europe & USA. It is owned & managed by a husband wife duo.
- \* Challenge : The finance function was struggling with hygiene issues , reporting problems and banking challenges.
- \* Solution :
  - \* Able to put in place proper financial accounting and MIS reporting within six months of its introduction
  - \* Forex conversion rate benchmarked & improved significantly
  - \* Further Ixcfo advised management on structuring of transactions with overseas clients bringing improvement to margin & cash flow
  - \* Assisted new ventures structuring under existing entity
- \* Benefits : Significant benefits in terms of quality MIS, forex hedging and well trained tier-2 finance team

# Case Study: B

- \* Co. B is a major business process management & KPO unit located out of Navi Mumbai. Owned by two brothers-in-law.
- \* Challenges : No framework on budgeting, Collection pattern - DSO loosely defined, Incentive policy was not in place for BU/Sales Head and MIS analytics points were not taken into account
- \* Solutions & Benefits :
  - \* Ixcfo partnered with the management in collecting overdue AR's and brought down average DSO from 120 days to 75 days (in rupee terms - from 15 cr to 8 cr )
  - \* Budgeting and Incentive policy was put in place with well defined pattern to achieve scale and business growth in new verticals
  - \* Management reporting for cross functional business review
  - \* Renegotiated the banking arrangement of Rs.25 cr.favourably with bankers saving on interest & banking operational cost
  - \* Structuring legal entities outside India for businesses verticals

# Case Study – C

A mid size family owned corporate group owned by two brothers, with three manufacturing plants operating in electrical panels with revenue base of ~Rs 2,500m ( INR 250 cr)

- \* Challenges : Loose controls on Inventory, Collection pattern, Operational level IT system (ERP), redefining BU's. Performance Matrix and realignment of fund v non-fund limits
- \* Solutions & Benefits :
  - \* Reengineered IT systems on productivity tracking
  - \* Structured BU with defined P&L responsibility & Incentive matrix
  - \* Introduced annual budgeting exercise across functions
  - \* Completely restructured the banking limits

Company tracking its growth better with control on gross margin improvement by 1% on a revenue of INR 2000m and significant improvement in cash conversion cycle by bringing DSO to 70 from 110 days earlier.

Prepared Company for SME IPO Listing with Merchant Bankers



# Case Study: D

- \* Co. D is a Services provider in Health and Nutrition based Services Provider in healthcare segment with prevention of ailments
- \* Solutions & Benefits :
  - \* MIS points were captured with ageing of current centre, break even point, opex/capex plan for each centre, cash flow and margin analysis were broadened to capture analytics better
  - \* Restructured balance sheet with orderly mix of equity/debt
  - \* Introduced operating lease/rentals mechanism from NBFC
  - \* Built the banking arrangement of Rs.15 cr. favourably with bankers saving on interest & banking operational cost with its network of Banks ( Foreign/Private/ Public Sector Banks)
  - \* Helping company to gear up for VC/PE funding by preparing organised finance function
  - \* Due diligence ready for funding of INR - 50 cr.

# Case Study – E

- \* “The Company” is a family owned SME with two legal entities engaged in manufacturing , export & domestic trading
- \* Introduced IxCFO Partner as a member of Core Team and also participate in the Sales/Ops Meetings with structured MIS dash boards from finance perspective and have been able to identify and focus the teams efforts on areas of weakness and drive improvement of business, focus on the Customer schedules and quality requirements, governance & compliance etc.
- \* Enhancement of Packing Credit limit by 200%
- \* Introduced refinement into SAP ERP system by segregating duties across finance function team members for well defined controls & building additional functionalities for reporting/alerts
- \* Helped in operational, financial & risk mitigation strategy in opening up retail arm with the opening up of FDI for retail by Government

These are only the selective case studies and not the exhaustive list for mandates done by IxCFO

150+ CFO Services Mandates across Sectors since the year 2010

As Solid Business Finance Partner