

Private Equity Company Acquires New Portfolio CFO

Pearson Partners Case Study

When a small private equity portfolio company's chief financial officer announced his retirement—and the fact that he would be leaving quickly—the private equity owners jumped into action to fill the position.

“We had a short timeframe before our retiring CFO departed,” the company's CEO says. “As a small, middle-market company with limited resources, we had to act quickly.”

With intensive manufacturing operations, as well as offshore sourcing capabilities, the company needed a CFO with exceptional technical skills and the ability to develop dashboards and other key metrics that are critical in managing the business. And, because the company had disparate operations and multiunit facilities, the ideal candidate needed to have leadership depth beyond that of a traditional finance professional.

Because of the portfolio company's limited resources, it was able to provide target compensation that would be competitive with the market, but couldn't go higher. And, because the new CFO would be working in a secondary or possibly tertiary market, it expected that relocation would be required.

Knowing that filling the position was a tall order, the company turned to Pearson Partners International and its vice president Heather Thomas, who specializes in private equity portfolio companies, especially in financial services and C-suite leadership.

“Heather and her team at Pearson Partners made a commitment to understand our firm's strategy and culture, long before any specific assignment presented itself,” the CEO says. “We were impressed by her commitment to forging and investing in a long-term relationship, in contrast with the more typical transaction orientation of many search firms.”

Heather spent time with leaders of both the private equity company and the portfolio company to gain a thorough understanding of the nuanced skills required of the job, and began locating and pre-screening qualified candidates. Rather than overwhelming the company's leadership with a large number of candidates that might later be determined to be a less-than-perfect fit, Heather quickly narrowed the candidate list to a few highly qualified individuals.

“Heather was very discriminating about the candidates we were directly exposed to, and as a result, the process was very efficient and we were able to spend time with the most qualified candidates,” the CEO notes.

In less than 90 days, the new CFO was hired. The individual was not only local and wanted to stay that way—no relocation necessary—he had a personal passion for the industry and experience overseeing a more complex operation.

“This CFO role was a very challenging position to fill,” says the CEO. “The right candidate had to have a rare combination of exceptional technical skills and considerable leadership depth. In the end, our new CFO has considerably more experience than we expected we could attract.”

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