

# Startup Celero Commerce Eases Acquisition Challenges With an Interim CFO

CASE STUDY

**armanino** 

## At A Glance

### Customer Profile:

Celero Commerce provides an integrated solution to help meet the needs of business owners, allowing them to focus on running their businesses, rather than managing multiple third-party software vendors and payment service providers. As a startup acquiring a company as part of its formation, Celero needed to quickly secure senior CFO expertise. It turned to Armanino's Rapid Deployment CFO service for an interim CFO to handle acquisition efforts and help merge people, processes and systems.

### Software & Services

- Armanino Rapid Deployment CFO service

### Benefits

- Delivers rapid access to senior CFO expertise
- Provides CFO capabilities as a seamless part of the executive team
- Reduces time pressure for hiring a permanent CFO

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**-Kevin Jones**

## Challenge

With retailers and other small and medium-sized businesses struggling to keep up with today's evolving payment ecosystem, one company is offering a new approach to the problem. Celero Commerce (Celero) is a full-service, integrated electronic commerce platform, providing payment processing services, business management software, and data intelligence in one holistic solution.

An early-stage startup, Celero was formed by LLR Partners, a private equity firm. As part of the formation, Celero made a strategic investment in another company for its payment processing infrastructure. As Kevin Jones, chief executive officer of Celero, explains, "With backing from LLR, we can fund both organic growth and strategic mergers and acquisitions."

With the first acquisition happening in conjunction with the founding of the company, Jones knew that senior financial and accounting leadership and expertise would be needed immediately to assist with the acquisition and to help integrate the acquired company's people, systems and processes. "The first company we purchased did not have the in-house finance skills we needed to assure a smooth acquisition and integration," he says. "However, given our startup situation, we didn't want to rush into a chief financial officer decision."

## Solution

Instead, Celero decided to pursue an alternative to recruiting a permanent CFO. They turned to Armanino LLP, one of the 25 largest independent accounting and consulting firms in the U.S., for an interim CFO to manage the accounting and finance efforts related to the acquisition.

Armanino's Rapid Deployment CFO team, which provides full- and part-time interim CFOs, seemed like the perfect solution. Because of Jones' previous experience with the firm, the decision was an easy one. "Armanino was the audit partner at my previous company," says Jones. "When we sold that company, we received tremendous compliments on our financial responsibility and audit work, which validated our confidence in Armanino."

The interim CFO from Armanino immediately demonstrated that he could not only handle the effort, but would be a valuable partner to the CEO and other executives on the team. "I needed someone who could convert the company from cash to accrual accounting, prepare projections, manage working capital adjustments, and everything else that goes along with an acquisition," says Jones. "I had complete confidence in the abilities of the Armanino-provided CFO from the first meeting we had."

*“Armanino gives us the bandwidth to be patient. For anyone who is acquiring a company that doesn’t have a CFO on staff or with the right skills, turning to Armanino Rapid Deployment CFO service is a no-brainer.”*

**-Kevin Jones**

## Results

With the interim CFO in place and working an average of 30 to 35 hours a week, Celero is on track to achieve its goals for assessing the people, processes and systems in the acquired company and merging it into the business. Those goals include:

- Converting cash to accrual-based accounting
- Constructing the beginning balance for purchase accounting
- Completing and reviewing year-end balances
- Negotiating terms and savings for outsourcing payroll
- Developing budgets

Having a CFO take responsibility for the day-to-day accounting and finance issues as well as reporting and projections has taken immense pressure off of Jones regarding providing updates to the balance of the c-suite and board. “Prior to the acquisition, there was no Celero Commerce, so there was an immediate need to have visibility into the financials” says Jones. The Armanino CFO created a reporting package for the acquired company that was consistent with other portfolio companies owned by LLR Partners.

Jones is not only happy with the results to date, but also appreciates how the CFO operates seamlessly as part of the Celero team. “No one even thinks of our Armanino interim CFO as being a consultant,” says Jones. “He’s an integrated part of the team and most impressively, he takes personal ownership of outcomes.”

## Next Steps

Jones anticipates further acquisitions for Celero in the near future, giving the company meaningful scale and the ability to deliver an excellent user experience for its customers. “As needs arise with future acquisitions, we will definitely leverage our great relationship with Armanino to fill those requirements.”

In the meantime, Jones is not feeling pressure to hire a permanent CFO. “Armanino gives us the bandwidth to be patient,” he says. “For anyone who is acquiring a company that doesn’t have a CFO on staff or with the right skills, turning to Armanino’s Rapid Deployment CFO service is a no-brainer.”

## About Armanino

Armanino provides an integrated set of accounting services—audit, tax, consulting and technology solutions—to a wide range of organizations operating both in the US and globally. You can count on Armanino to think strategically, to provide the sound insights that lead to positive action. We address not just your compliance issues, but your underlying business challenges, as well—assessing opportunities, weighing risks,

and exploring the practical implications of both your short- and long-term decisions. When you work with us, we give you options that are fully aligned with your business strategy. If you need to do more with less, we will implement the technology to automate your business processes. If it's financial, we can show you proven benchmarks and best practices that can add value company-wide. If the issue is operational, we'll consult with your people about workflow efficiencies. If it's compliance, we'll ensure you meet the requirements and proactively plan to take full advantage of the changes at hand. At every stage in your company's lifecycle, we'll help you find the right balance of people, processes, and technology.

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