



Preparing a High-Growth Finance Firm for Additional Funding and a Clear Path to Profitability

Case Study



At a glance

- Timeline, the UK's fastest-growing company specialising in transformative tools for Independent Financial Advisers (IFAs), had further growth in its sights
- The growth required a Series B round of venture capital (VC) funding
- EFM Associate Richard Preston was selected to prepare the business for that round, working with the C-Suite and existing shareholders, and to run the process
- Richard identified the need to review and strengthen the Finance discipline
- He built detailed growth models and bottom-up budgets to give confidence to the C-Suite and current and future shareholders
- Richard's work helped secure £10 million investment – 30% over target – positioning the business firmly on the path to doubling in size by the end of 2023

Background

With its commitment to enable IFAs to deliver exceptional value to their clients at much-reduced cost, Timeline is a genuine disruptor in the UK Model Portfolio Service (MPS) market. Its integrated tools enable IFAs to manage all aspects of their clients' investments from one place - smarter, quicker, with better financial outcomes.

Hardly surprising, then, that this company, with a strong management team and a dynamic and visionary founder, is the fastest-growing UK business in its field. In many ways an exceptional success story already, it nonetheless believed it was capable of much more - if it could secure further funding.

Challenges

The company was no stranger to VC investment, having successfully secured seed funding from 2018, and Series A funding in 2022, but Series B would require a more rigorous process.

It required the business not only to evidence how it had delivered on its Series A promises, but also to paint a convincing and compelling financial picture of how it would progress to profitability moving forward, and maintain growth.

But the Finance structure within the business wasn't geared up for this. It was split between a Finance Manager, whose everyday tasks were operational rather than strategic, and a firm of Chartered Accountants, whose responsibility was limited to preparing management accounts.

The company needed Finance Director (FD)-level input to reorganise and strengthen the Finance function, take pressures off the management team, and make the numbers tell a forward-looking growth story that investors, shareholders, and the Board would find credible – without the expense and inflexibility of a full-time FD.

At the same time, the company needed expertise to take it to the investor market, and deal with the legal and due diligence requirements of the investment process - without the additional administrative and cost overheads of using a corporate Finance house.

On every front, Richard had the skills and experience to do the job.

Solutions

Richard started by focusing on making the Finance function, as he puts it, “fit for growth”. He reviewed and made changes to its structure, people, and systems, brought management accounting under his control, and carried out extensive “housekeeping” to ensure data, tools, and resources were up to date and accessible.

He then moved the business away from its Series A-era, early-stage, top-down assumptions, building instead accurate, bottom-up budgets, based on known, existing relationships and capabilities, and turning these into detailed business growth models.

These showed, credibly, how the business could grow strongly whilst keeping headcount increases to a minimum and maximising productivity.

With this clear vision articulated, Richard was able not only to demonstrate to the business what must be put in place to be successful in Series B, but to outline multiple strategic options for how to spend the investment received to propel growth – and please the investors – still further.

Benefits

The clarity of this outlook proved a potent combination when Richard engaged with over 60 potential VC investors in the marketplace, attracting follow-up from no fewer than 35 of them.

Key to the effectiveness of the financial picture Richard had put together, he says, was demonstrating to investors that growth could be accelerated – and return increased exponentially – by investing more.

Richard didn’t only deal with the numbers and the presentation materials, however – he was deeply involved in due diligence, legal procedure, governance, and securing Financial Conduct Authority (FCA) approval from the start and throughout - a “full-service” offering that enabled the process to get underway and reach completion in under six months.

But full-service does not need to mean full-time. This was all achieved by Richard working on a part-time basis.

As for the final outcome, the numbers speak for themselves. The multiple new and existing investors Richard and the management team worked to attract to the Series B round put £10 million into the business – 30% over target – and the business is, consequently, now firmly on the path to doubling in size by the end of 2023.

And in founder and CEO Abraham Okusanya’s words, “I’m told this is one of the toughest funding markets, especially in venture. Yet it’s the least painful round we’ve ever raised.”

Proof, if any were sought, that with the right Finance expertise on call whenever you need it, funding and investment can be a triumph, not a trauma.

For more information on how EFM’s experienced Finance professionals can prepare your business for investment and growth, get in touch today.



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