

Transaction experiences

Transcript

LANCE BEDER: So, Glenn, I want to put you on the spot, right? You've done a tremendous amount of transactions, probably hundreds. Maybe you have one that you can highlight as something that went really well, and one that maybe didn't go well, and the reasons for that?

GLENN BARENBAUM: So, I think good diligence and integration planning really starts from having that playbook. And I think the instances where I've seen organizations really excel is they're focused on the key deal issues and don't get caught up in the minutiae—because speed is important, and really understanding the key deal issues, what the implications are to them, and how they can either mitigate risk or plan for integration. So, a large organization might have a lot of functional leaders as far as finance, tax, HR, IT, they need to think about cultural changes and organizational changes, and that all can be discussed and planned for in a diligence period. And then when the deal consummates, they can springboard it and really focus on integration.

Deals that might not go well—it's simply not planning. I've seen deals that have not had successful exits and the deal gets delayed because they really haven't organized for the buyer to come in and really understand their business. So, selling a business is work, and having a playbook on the disposal or a carve-out of a business ... good planning is going to result in a successful speedy transaction.

LANCE BEDER: And back to you, Adrienne, talking about the transformation advisory work that you're doing. Can you name an example of a success story where you've participated and supported a client to enhance their back office and process it, and how this evolved into a successful outcome or improved proficiency of their services?

ADRIANNE BOYLEN: Yeah, absolutely. We had a client, it was a physician practice group, they also owned ASCs, and they were looking to enhance their back office ... to your point ... and get ready for the deal. And so for them, we came in and helped them with automating things like how they reconcile cash, how they record revenue and make sure that's correct and accurate so that they could have good numbers. We also looked at their revenue cycle practice and streamlined it, looked at the overall organizations but also the metrics and how they're working the accounts to get paid faster and reduce their days in AR. Out of that, they did eventually sell. They had a very good transaction and have been successful ever since.

GLENN BARENBAUM: I think another thing we see a lot, and Adrienne and I work often together, is we might see that family-owned or founder-physician practice that has been reporting on a cash basis. Cash and tax basis is sufficient, but when they're professionalizing the business for scale, they need to be in accrual. And some basic accounting and getting some processes in place and procedures is a place that the investment is needed ... and the focus is really accelerating the growth, so the business operators can focus on the business and the accounting is taking care of itself.

ADRIANNE BOYLEN: Absolutely. The revenue piece is always the hardest part for a lot of folks, and if you can get that right, it just makes it a lot smoother, and also makes it easier for the next transaction and deal as well.