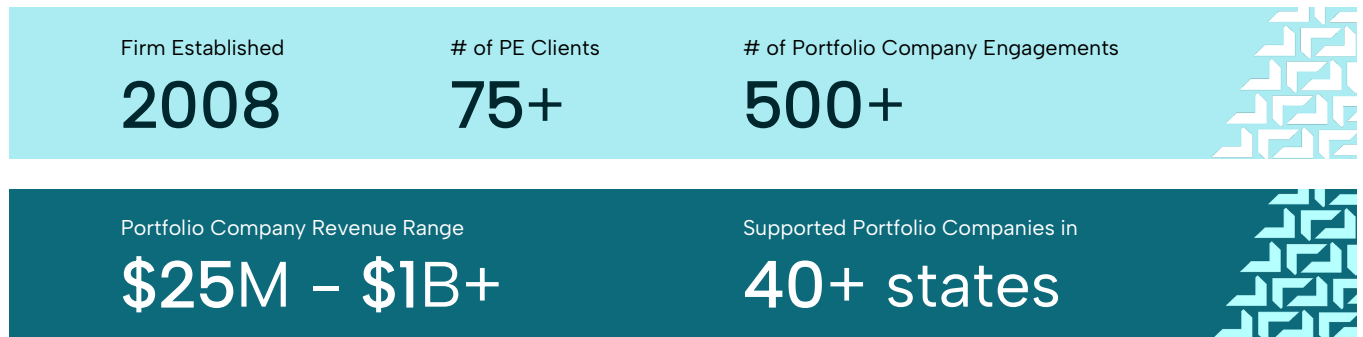


CFO Playbook: Transitioning a Family-Owned/Founder-Led Business to PE Ownership

When a Private Equity firm acquires a family-owned business, the expectations placed on the finance function shift significantly. ETONIEN's consultants specialize in leading financial transformations within founder-led organizations, bringing the expertise needed to meet institutional standards while respecting and preserving the existing culture. Leveraging deep experience in both operational finance and change management, our consultants are uniquely positioned to professionalize the finance function without disrupting morale. The following playbook outlines the key phases and priorities our consultants often use to guide a successful transition:



Phase 1: First 90 Days

RAPID ASSESSMENT & STABILIZATION

Understand the Deal Structure

- Review the purchase agreement, earn-outs, debt structure, covenants, and key financial metrics
- Align with PE firm on their investment thesis and expectations

Conduct a Financial Health Check

- Review historical financials for accuracy and completeness
- Evaluate cash flow health, working capital, and margin drivers

Build Relationships

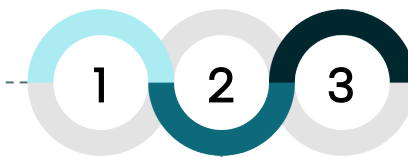
- Establish trust with PE partners, CEO, and key stakeholders
- Meet with department heads to understand business operations and culture

Assess the Finance Team

- Evaluate talent gaps, roles, and capabilities
- Identify immediate needs for support (FP&A, Controller, systems)

Implement Enhanced Reporting

- Introduce monthly reporting cadence with P&L, cash flow, and KPI dashboards
- Begin preparing Board-ready financials



Phase 2: Months 3–6

FOUNDATION BUILDING & QUICK WINS

Professionalize Systems & Processes

- Identify gaps in accounting systems, ERP, and reporting tools
- Begin roadmap for upgrades or integrations

Improve Working Capital Management

- Tighten AR/AP cycles
- Re-negotiate terms with vendors/customers where possible

Establish FP&A Discipline

- Create forecasts, budgets, and variance analysis processes
- Start building a data-driven culture

Drive Early EBITDA Improvements

- Identify and execute on quick cost wins (non-essential spend, low-hanging SG&A cuts)
- Collaborate with operations for gross margin improvement initiatives

Support Strategic Initiatives

- Provide financial support for any add-on acquisitions, product expansions, or geographic growth

Phase 3: Months 6–12

SCALE, OPTIMIZE & STRATEGIZE

Strengthen Internal Controls & Governance

- Implement policies for compliance, audit trails and risk management
- Ensure PE firm comfort with financial rigor

Talent & Organization Structure

- Hire for key roles (Controller, FP&A lead, etc.)
- Introduce performance reviews, incentive alignment

Prepare for Value Creation Events

- Support strategic initiatives for growth and operational efficiency
- Prepare financial materials for debt refinancing, bolt-on M&A or exit scenarios

Lead Board Engagement

- Present financial insights and recommendations with clarity and confidence
- Help shape strategy alongside the CEO and PE board members

Build Toward the Exit

- Align with PE firm's exit timeline
- Ensure clean financials, robust forecasts, and a scalable finance function

ETONIEN is the force multiplier behind portfolio company success.

To discuss our full range of capabilities, please contact:

Ryan Holden
Ryan.Holden@ETONIEN.com

Los Angeles + New York | ETONIEN.com | 877.ETONIEN