

True Automation Works with vcfo to Build a Strong, Financially Sound Business

T rue Automation knows technology, and they know their market. That's why they are one of the fastest growing tax and appraisal software company in Texas.

When it comes to finance and operations, however, the team wanted top caliber advice and resources. CEO Osvaldo Morales turned to **vcfo** for CFO-level advisory services to help his team transition to a more disciplined approach at managing the company's finances.

"As a privately-funded company, we weren't forced to report our financial results to a board each month, and we managed everything by cash," explains Morales. "So, before we engaged with vcfo, we simply didn't have the systems in place to produce sales forecasts, profitability analyses, financial statements, or any of the reports we needed to manage our growth."

Bringing Structure to a Growing Organization

As his company grew, Morales knew he needed to institute more formal processes and systems. He also needed to tap into CFO-level advice but was not ready for a full-time CFO, so he brought in the experts at vcfo. They led the charge in evolving True Automation's financial operations and served as an interim CFO, advising management on everything from mergers and acquisitions to real estate negotiations.

With growth came the need for more infrastructure and selecting and implementing the right financial solutions was among the most challenging problems. "Unfortunately, our initial attempt...on our own was a failure," admits Morales. "vcfo stepped in to help us select a new system, which was the right one for our business, and then ensured the implementation went smoothly."

Lessons Learned:

True Automation CEO, Osvaldo Morales, shares his thoughts on the structure, visibility, and efficiency vcfo brought to his growing software business.

A "Virtual" Part of the Management Team—Working with vcfo advisors, Morales has found the answers he needs when it comes to high level financial issues and ideas. "We can rely on vcfo for CFO-caliber guidance on a broad range of strategic issues, including evaluating mergers and acquisitions. They are like a member of the team," says Morales.

Experience and Connections—According to Morales, "We benefit greatly from vcfo's collective experience and professional network. At any given time, we can take advantage of vcfo connections for streamlining real estate negotiations, expanding into new territories, and even outsourcing to India."

Structured Financial Processes—By bringing in a CFO-level advisor to implement structured financial systems and processes during the early years, True Automation is prepared for more predictable and profitable growth. "We can now see whether we need to raise rates, cut expenses, or get out of a segment that isn't profitable," says Morales.

Expertise and Resources Overnight—When you're building a big business and you identify a need or an issue, there is no time to lose. True Automation can always trust that vcfo will bring in the top guns quickly. Morales advises "nothing compares to the experience an outside expert can bring almost overnight."

With the system now in place, Morales relies on the financial models and reports vcfo built to help him understand the performance of his business and identify things that can be done to improve operations.

Gaining Trusted Business Advice

As one of a select group of high growth software companies, True Automation finds itself in the enviable position of entertaining numerous offers for mergers and acquisitions. "We receive business offers several times each month and evaluating each of them personally could present a major distraction to running the business," says Morales. "We call vcfp first. Based on their insight and advice, we can confidently decide to pursue the opportunity further or walk away before wasting time."

The vcfo team also provides valuable advice when it comes to the company's expansion into new territories. Recent activities included traveling to Washington to assist with contract negotiations and building a set of master agreements and templates that will serve as tools for every new deal the company makes.

Tapping into the vcfo Professional Network

"Before you first start working with vcfo, you may think you are just hiring some extra help," Morales says. "But you don't realize the breadth of the resources they offer and the extent of their network." Morales and his team rely on the expertise and the professional network vcfo has developed by working with hundreds of start-ups to avoid pitfalls and streamline operations. Recently, as management evaluated outsourcing software development to India, vcfo was able to secure recommendations of reputable Indian services providers and arrange for an interview with another vcfo client operating in India to learn more about his experience. Notes Morales, "This type of insight is invaluable!"

Building a Strong Business Together

The relationship between True Automation and vcfo has grown dramatically over the years. Together, they have instituted reporting procedures, a financial close process, and forecasts. Practically every element of financial services has undergone a complete evolution under the guidance of vcfo. "We now have a financial forecast for the next five years which adds tremendous value as we make strategic business decisions for the company's

future," says Morales.

With this foundation in place, True Automation has enjoyed controlled and profitable growth. According to Morales, if he had to do it over again, he would take the same route. "I've always believed when you don't have the expertise in house, you need to go find it. Don't waste time trying to develop it organically. Nothing compares to the experience the right outside person can bring almost overnight."

About vcfo

vcfo is the premier provider and industry pioneer, providing financial, human resources and recruiting services to clients, ranging in size from emerging growth to public companies. Acting as a trusted advisor to CEOs, vcfo combines extensive best practices and proven methodologies to help solve the most complex financial and operational needs for over 2,000 clients to date. Tapping into the collective experience of our highly skilled CFOs, controllers, HR professionals, and recruiters, vcfo is uniquely qualified to help clients ensure the appropriate infrastructure is in place to grow their business.

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