

Data Startup Earns \$15M Series A, Saves \$45K With Upgraded Process & Financial Roadmap

How a growing startup secured its capital needs and developed a lean and efficient finance function.



ABOUT THE COMPANY

DrivenIQ is a data technology startup that delivers first-party data and micro-targeted audiences for brands, enterprises and retailers looking for effective marketing audiences in a cookieless world.

THE OPPORTUNITY

Less than a year after its founding, DrivenIQ was experiencing explosive growth and had already acquired another company, gaining 150–200 new clients overnight.

“We were having hockey stick trajectory growth. So we realized that there was a product-market fit for what we did. The goal was [to] be lean and efficient as a small startup, because we were pre-seed round, and it was all boot-strapped at that point.”

Albert Thompson - Founder

THE SOLUTION

Like many startups, DrivenIQ was not at a stage to hire full-time accounting or finance leadership. However, with the objective of gaining funding and moving toward an eventual IPO, they needed a solution to help them manage their bookkeeping and capital runway to build a path to Series C.

DrivenIQ found the right match with Paro's accounting and strategic advisory solutions. Paro experts Jay, a fractional controller, and Dave, a fractional CFO, had the expertise needed to partner with them and build towards their goals.

Integrated and improved systems save costs

Jay initially came onboard to execute full-charge bookkeeping tasks, managing processes like accounts receivable, accounts payable, payroll, monthly finance reporting and end-of-month finance recaps. But he quickly took on a controller



role in order to review and recommend system improvements and to align new processes and workflows.

After their acquisition of another company and accompanying substantial client increase, DrivenIQ needed to upgrade its billing processes.

As Albert, the founder noted, the company is moving into a SaaS model, but there were variations in how the model was built.

“[Jay] was able to really help us not just solve for our monthly recurring revenue, but how much were we really collecting in terms of revenue? And then, how could we build those workflows and those processes to ensure that we were actually putting our arms around that money?”

Albert Thompson - Founder

Moreover, Jay immediately noticed some areas of opportunity in DrivenIQ's financial stream and built a plan to troubleshoot. Initially, the company was spending thousands of dollars per month on credit card APR fees. Jay quickly streamlined a plan to transition the company towards ACH electronic payments in place of credit card transactions. As a result, the company's credit card expenses decreased from \$7-\$8K per month to just \$800-\$900 per month.

Financial leadership establishes fundraising strategy

With stronger accounting processes in place, Albert and his team could keep pace with their growth. But now they needed a solid fundraising strategy.

Dave took a financial snapshot of the business and helped DrivenIQ build a financial roadmap for

their Series A round. To start, Dave put together an investor deck and a use-of-funds analysis for the funding round, and he helped the company craft an overall strategy.

Over time, DrivenIQ and Dave have continued their partnership, as Dave still advises on financial strategy, developing and presenting the company's budget at board meetings and implementing cost-saving measures to drive financial growth.

Additionally, with his help, DrivenIQ is discovering ways to insure and protect its capital investments for the first time through cybersecurity and D&O insurance.

THE IMPACT

By developing a lean accounting function and building a financial roadmap, DrivenIQ was able to secure \$15M in Series A funding, and the company is already planning its next funding round with Jay and Dave's help.

Moreover, by working with expert accounting and finance leadership, DrivenIQ was able to reduce

costs and seize on tax credit opportunities, including the employee retention credit (ERC). Overall, their capital structuring and process changes saved the company over \$45K in a single quarter in 2022.

The greatest impact, though, was in building company morale. As a startup with a limited headcount, accounting processes had been tasked to employees whose expertise best suited other roles. Through flexible talent resourcing that brought on the specific expertise required, those employees now have the opportunity to perform in roles that suit their strengths and contribute to company growth more effectively.

"It freed up resources, but it also increased and enhanced morale and put people in the right place, and now they're successful in the roles that they should be."

Albert Thompson - Founder

DrivenIQ was well prepared for their first round of series funding, and now, the company is ideally positioned for their next round and continued strong growth.

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