

Analytic Leadership & Discipline Drive 15% Margin Improvement, Position Startup for Triple-Digit Revenue Growth

How a fast-growing digital agency gained the flexible solution it needed to set up an FP&A function while also gaining strategic advisory support



ABOUT THE CLIENT

Agency39A is a digital agency that quickly develops custom mobile applications and digital solutions to solve complex real-world challenges and improve user experience for businesses.

THE CHALLENGE

Early-stage startup needs financial insights to make strategic decisions for growth

After a successful first year, Agency39A, a quickly expanding digital agency, needed a more robust financial reporting system for its next phase of growth. The agency's CEO, Shanon Marks, was working with a bookkeeper but wanted to have more structure and visibility into his financials to enable him to make accurate, strategic decisions backed by data.

"A friend and founder of a professional services agency advised me that having a CFO early on in the process was one of the best decisions he's made," noted Shanon.

With this advice in mind, Shanon decided to invest in financial leadership to boost his confidence in the company's growth roadmap and create projections to illustrate the impact of different decisions.

THE SOLUTION

FP&A expertise and leadership drive effective cost management, resourcing and investment actions

The first priority for the agency was building out FP&A capabilities, with a focus on budgeting and forecasting. This would enable the business to gain

insights on what it should do based on its financial picture at any point in time. However, Shanon knew he would need more strategy and leadership for his finance functions over time, so he wanted a solution that would offer this flexibility as well.

Agency39A was matched with Boris, who has extensive experience leading FP&A for businesses in the consumer sector. She has also founded a health and wellness business of her own. This expertise helping new businesses scale efficiently and effectively made her a good fit for Agency39A. It also enabled the scope of the engagement to flex to include CFO/controller leadership as she gained Shanon's trust.

“Working with Paro has been a very rewarding experience. The team was able to quickly identify a truly remarkable candidate for a CFO/Comptroller role, onboard her to our team and deliver on mission-critical budgeting and financial operations. Boris has become a part of our team, provides her insights and expertise and is a pleasure to work with.”

Shanon Marks - CEO

Through creation of detailed financial forecasts and an annual budget, Boris provides deep analysis to help Shanon make strategic decisions based on the agency's most up-to-date financial state. Boris also

built an extensive reporting suite, including monthly reviews and check-ins. Use of the new analytical tools and financial modeling packages have driven increased profitability and growth.

The consolidated business forecasts include dashboards demonstrating variances in monthly and year-to-date results against prior year. This offers a clear view of how cash flow and other important metrics are trending.

Additionally, creation of scenario and sensitivity analyses on key drivers of growth, profit and capital now allow Shanon to analyze his business in multiple ways. This has led to structured and well-informed decision-making around optimizing cash flow and positioning projects for higher margins, in turn boosting both the top and bottom line.

“We've managed costs much more effectively. The way we're thinking about resourcing projects is much more accurate, and how we're using our cash is more effective,” said Shanon. “Being able to forecast cost and understand what's coming down the road gives us the ability to make better hiring and investment decisions.”

Boris also created robust financial tools that analyze projects and proposals to enable improved project management and determine whether a project is appropriately estimated and resourced. Thanks to these tools and analysis, the agency has changed

how it structures many of its large deals, resulting in margin protection at the project execution stage.

THE IMPACT

Margin improvement of nearly 15% with strong positioning for triple-digit growth

A little over a year into the engagement, the combination of standing up FP&A functions and strategic leadership have resulted in a direct margin improvement of nearly 15%. Boris's efforts have provided Shanon and other executives the insights they needed to right-size costs, resources and time for key client projects.

Improved visibility into the various business segments and cash flows from detailed financial

modeling directly boosts Shanon's confidence that Agency39A will be able to reach its goal of 100% revenue growth this year.

Notably, margins are projected to remain at prior levels, thanks to Boris's guidance around scaling effectively while retaining tight cost controls.

There have also been tremendous productivity gains, as having a clear finance leader has freed up time and energy for Shanon to focus on marketing, sales and other crucial growth functions. And now that he has clear, accurate insights on what the return on investment (ROI) will be, Shanon plans to increase investment those functions to help achieve growth targets.

Agency39A is now well positioned for triple-digit growth, and Shanon deems the engagement "the best investment we've made in the future of our business."

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