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Investment Firm Attracts Millions in New Capital Using Best-in-Class Financial Modeling Solution

Financial Projections Stand up to Testing, Scrutiny of Multiple Investors

SNAPSHOT

Company:

SpringWorks, LLC, is an investment company that seeks to discover and nurture emerging technologies.

Challenge:

Help startups with no full-time CFOs create credible financial reports to secure investor funding.

Need:

A more robust tool than Excel spreadsheets to enable potential investors to test many business scenarios and assumptions, to see when the startup might be profitable.

Solution:

Use **White Birch Planning**, a Web-based, best-of-breed financial modeling solution that enables real-time collaboration and gives users total confidence in the numbers.

Results:

SpringWorks used **White Birch Planning** to quickly build a solid five-year financial model. Because the solution is Web-Based, it was easy to share projections with investors in multiple locations and field requests to see alternate scenarios in real-time. SpringWorks was able to close more than \$30 million in new financing for the startup and has continued to leverage the software to help other portfolio companies.

The Company

Based in Minnetonka, MN, SpringWorks, LLC is an investment company that nurtures emerging technologies. Springworks provides its parent company, Petters Group Worldwide, LLC, with the ability to produce first-to-market and/or differentiated-value products and services for use in the consumer electronics, aviation and other industries.

SpringWorks had been working with one such company and provided the lead round of funding, but the company was now seeking other investors. The startup needed a three- to five-year financial projection incorporating cash flow, balance sheet and income statements, all integrated and in balance, and it needed this information quickly – in about two weeks.

The startup lacked a full-time CFO, which exacerbated the challenge of developing financial projections that would stand up to intense scrutiny from multiple investment firms. “We needed to see best case, worst case and most likely case for this company,” said Tom Kelly, vice president, SpringWorks, LLC. “Investors and venture capitalists may ask for 50 different scenarios off the base case, testing many different assumptions for when a company might be profitable.”

The Challenge

In the past, these financial models were built using Excel spreadsheets, but these spreadsheets invariably broke down under the rigors of presenting these alternate scenarios and multiple re-iterations of the models.

“I got tired of seeing ‘NUMBER+REF’ error messages whenever I inadvertently wrote over an [Excel] formula, and the whole thing had to be redone,” Kelly recalled. “It just wasn’t productive, and we couldn’t trust the result.”

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With the aid of **Whitebirch Planning**, SpringWorks was able to close more than \$30 million in new financing for the portfolio company. SpringWorks has continued to leverage the software to help other companies put their best financial foot forward.

The Solution

To get the job done quickly, SpringWorks needed a best-in-class financial modeling solution, called **Whitebirch Planning**, developed by Whitebirch Software of Salem, Mass.

Whitebirch Planning is based on a library of financial components – a set of financial building blocks – with built-in logic that defines how they fit into the financial statements. This removes the difficulties and errors that are common in defining business and accounting logic through Excel. As a result, the user can have complete confidence that the model is correctly structured and integrated with the financial statements – so that balance sheets actually balance. It also eliminates the issue of Excel formulas that they can only be deciphered or modified by their creator.

For managers and investors, this approach offers unusual flexibility in testing different business assumptions, while also maintaining the financial model's integrity.

Results

Using a financial model built with **Whitebirch Planning**, Kelly was able to present a solid five-year financial model to investors in multiple locations. Because the modeling solution is Web-Based, it was easy to collaborate and share financial projections with investors and business partners, and field the inevitable requests to see several alternate scenarios in real-time.

“Without the help of a CFO, we made it easy to test and defend our financial assumptions. For example, we could show how many customers we anticipated in a certain time frame, and if the timing changed, we could show how that impacted cash flow. The financial models brought a lot of credibility to the company we were presenting,” Kelly recalled.

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ABOUT WHITEBIRCH

Whitebirch Planning, the company's flagship product, delivers the most comprehensive and flexible budgeting, forecasting, and planning system for small and mid-sized businesses and accounting and professional service firms. Available either on-demand or on-premises, the solution provides robust, fully integrated financial models, in less time, with greater accuracy than was ever possible with older spreadsheet technology.

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