



## Case Study • Gryphon Investors

# Private Equity Investment Firm Praises MGMT3D's "Key Role" in Successful Sale of Leading Food Service Company

*MGMT3D tools provided a critical, integrated financial view of a siloed corporate structure*

*"MGMT3D is made up of true business experts, so they're able to bring business instincts and acumen along with outstanding business intelligence tools – this enables them to quickly understand the business challenge and opportunity, and then tailor a solution to that opportunity."*  
**– Keith Stimson, Partner, Gryphon Investors**

**ORGANIZATION**  
**Gryphon Investors**

**LOCATION**  
**San Francisco, California**

**INDUSTRY**  
**Private Equity Investment**

## Organization Information

- Founded in 1995 with a mission of delivering measureable bottom-line value to its companies and superior returns to its investors..
- Seeks out and analyzes opportunities to invest in and grow middle-market companies with \$25 to \$250 million in annual revenue.
- Invests in traditional buyouts, leveraged build-ups, and growth-equity investments with three- to five-year holding periods.
- Focuses on working with portfolio companies to optimize operations, achieve improved performance, and gain market dominance.
- MGMT3D business intelligence consulting services
- EBM® Software General Ledger Cube™ and Data Mart

Solution





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### Business Benefits Realized

- Provided a consolidated financial view in preparation for the sale of TrustHouse, which was operating with a siloed business structure due to recent acquisitions.
- Enabled the management team to quickly respond to requests for financial data, instilling confidence in potential buyers.
- Helped Gryphon Investors achieved a sale price for TrustHouse that was well above their initial valuation.
- Enabled accountants to provide potential buyers with updated, accurate reporting throughout the sale process.

The team of executives, experts and entrepreneurs at Gryphon Investors have a proven track record of spotting opportunity – and that’s exactly what they saw when they purchased TrustHouse Services Group in 2008. Over the next six years, Gryphon grew the contract food-service provider with savvy business leadership and strategic acquisitions. By the time they were ready to sell the company in 2013, it was providing more than 275,000 meals every day to organizations in the healthcare, education and corrections sectors – making it one of the top six contract food-service companies in the country.

If there was a potential roadblock to a highly successful sale, it was that TrustHouse – which had been recently expanded through acquisitions – had no centralized financial tool to provide a consolidated view of the seven regional foodservice businesses it operated.

“We had a centralized headquarters but we did not have a system that enabled us to track and analyze results at a granular level,” says Gryphon Investors Partner Keith Stimson. “This could have led to a huge credibility issue with potential buyers, who expect the managers to have their fingers on the pulse of the business. Not having that data could potentially kill a sale, and at a minimum will lead to a reduction in the business valuation.”





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*“In this implementation, we benefitted from the fact that MGMT3D is made up of true business experts,” says Stimson “They were able to bring business instincts and acumen along with outstanding business intelligence tools – this enabled them to quickly understand the business challenge and opportunity, and then tailor a solution to that opportunity.”*

## Creating a Consolidated View

To solve this challenge, the Gryphon team needed a way to present a cohesive view of the company’s financial picture while leaving the existing company structure in place. To overcome this challenge, they chose to implement the EBM Software Dynamic G/L Cube and Data Mart with the help of MGMT3D, the Minneapolis-based business intelligence provider and consulting firm.

Top executives at Gryphon had partnered with MGMT3D in the past, and had been impressed with both the functionality of the EBM software and the expertise of the company’s management. “The EBM G/L Cube provides a lot of visibility, and the Data Mart is extremely clean and reliable because it extracts existing data directly from the general ledger and then repackages it in a flexible, effective form that allows you to view the data at the right level of detail every time,” says Gryphon Investors Principal Matt Farron.

The MGMT3D team quickly got to work designing a solution to provide single, integrated financial view for TrustHouse; this meant integrating the financial data from nine different operating companies, each using their own distinct chart of accounts. In addition, MGMT3D used the EBM solution to pull data from five disparate ERP systems – one of which housed four separate ‘mini-systems’. To enable the companies to continue to do business as usual while providing a unified financial view, MGMT3D created two account structures for each company: one for their internal operations and another that was rolled up into the full TrustHouse chart of accounts.







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# Capitalizing on Opportunity

As the TrustHouse deal progressed, MGMT3D and EBM Software made it possible for Gryphon to capitalize on the opportunity it represented. Any time a potential buyer requested information the financial team working on the sale was able to produce it quickly and correctly using the Dynamic Cube. “Being able to present the requested information rapidly was critical – it shows that the management team has all their ducks in the row and definitely brought value to the sale,” says Ernst & Young Transaction Advisory Services Partner Tom Moore.

When the TrustHouse sale concluded in April 2013, everyone on the Gryphon team was extremely satisfied with the high valuation the food service company received – and credited MGMT3D with helping to make the deal a success. “I would give MGMT3D a high mark for helping us get the best valuation possible,” says Stimson. “I recommend them all the time, they have great tools plus the business expertise needed to jump in, understand the issues, identify a solution, and grow a business quickly.”

