

Interim CFOs and Finance Leaders: A Strategic Lever for Value Creation in First Institutional Capital Investments

NATASHA BUNTEN CASHEN AND YSETTE WITTEVEEN | 2025



From Founder-Led to Institutionally Backed:

The Finance Function Imperative

Investing in or acquiring founder-led businesses as first institutional capital presents a unique blend of opportunity and complexity. The primary advantage lies in the ability to introduce strategic, financial, and operational discipline to scale promising businesses alongside committed co-owners who bring deep market knowledge and entrepreneurial energy. This partnership dynamic is especially compelling in the lower mid-market, where rapid capability building can unlock substantial value. In healthcare, these opportunities come with additional layers of complexity as these businesses operate within multi-tiered regulatory frameworks and require intensive innovation and quality investments to deliver critical solutions that improve people's lives and wellbeing.

However, the very entrepreneurial environment that drives initial success often lacks the infrastructure needed for institutional-grade scaling. Key functions essential to efficient growth, particularly finance, commercial operations, and human resources, frequently require significant development. The finance function typically demands immediate attention due to the sophisticated reporting expectations of institutional investors, performance management requirements of investors and boards, and the complexities of post-transaction capital structures that often include leverage components.

When gaps in financial leadership, systems, or reporting capabilities emerge post-close or during accelerated growth phases, they can impede value creation timelines and create misalignment between management teams and investors. Establishing a robust finance function becomes essential to driving profitable growth, optimizing capital allocation, and measuring performance against value creation plans.

These situations call for decisive action. Deploying seasoned interim finance executives and on-demand consultants — including CFOs, FP&A experts, controllers, and financial systems leads — provides a lever to immediately safeguard investment value, ensure regulatory and covenant compliance, and maintain growth momentum while developing a comprehensive long-term leadership solution tailored to the company's evolving needs.

Five Financial Risks:

Where Value Creation Plans Fracture

In our work with institutional investors acquiring founder-led healthcare companies, we observe five common financial pitfalls that should be addressed promptly to protect capital and optimize value creation.

1. FINANCIAL REPORTING OPACITY.

Impaired visibility through delayed or inaccurate reporting prevents effective oversight, while the absence of sophisticated analysis around cash management, growth modeling, and working capital optimization limits proactive decision-making.

2. INFRASTRUCTURE AND SCALABILITY CONSTRAINTS.

Reliance on manual, error-prone processes creates operational bottlenecks that prevent efficient scaling. Data access and integrity issues divert valuable management capacity to discovering the truth rather than using the truth to support proactive decision-making precisely when growth acceleration is most critical.

3. MARGIN AND PRICING EROSION.

Inability to identify and act on margin improvement levers in the first 100 days post-acquisition squanders an opportunity to quickly establish momentum. Once missed, these early opportunities become increasingly difficult to capture as organizational patterns solidify.

4. EXIT READINESS DEFICITS.

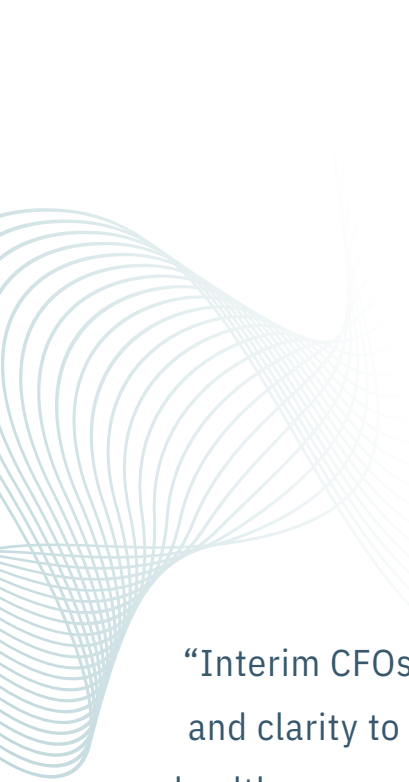
Weak financial hygiene, leading to inconsistent revenue recognition, inadequate audit trails, and misaligned KPIs, erodes buyer confidence during exit processes, ultimately compressing valuation multiples and potentially derailing transactions.

5. COMPLIANCE LANDMINES.

In a complex regulatory healthcare environment, exposure to technical defaults, audit failures, and regulatory penalties creates significant risk that can trigger covenant breaches, damage reputation, and create material liabilities.

These risks don't exist in isolation; they compound and interact, potentially threatening the entire value creation thesis. Strategic engagement of interim finance leadership provides immediate expertise to address these challenges while longer-term solutions are developed.

Interim Finance Leadership at Critical Inflection Points



“Interim CFOs bring discipline and clarity to investor-backed healthcare companies. Beyond stabilizing reporting, they act as strategic partners to founder CEOs, coaching them on financial transparency and resetting expectations to meet private equity rigor and pace, while translating unit economics and pricing into actionable growth levers. This combination accelerates EBITDA growth and ultimately drives multiple expansion and long-term value creation.”

– Sandeep P.
Private equity-backed interim CFO

In our experience working with private equity and venture capital firms, deliberate deployment of interim and on-demand finance leadership delivers impact across three critical dimensions of value creation: it accelerates time to value creation, enhances the probability of value creation, and increases the magnitude of value achieved.

Interim finance executives offer targeted and timely expertise through various possible engagement models, each addressing specific challenges in the investment lifecycle.

INSTITUTIONAL ACQUISITION SUPPORT.

For first-time institutional capital, interim or on-demand finance leadership can fully assess a target's financial systems, processes, and people to identify critical operational gaps that likely don't get picked up in a quality of earnings report. Having upfront a clear “here's what we need to understand and fix” roadmap supports rapid stabilization and scaling of the finance function alongside strategic objectives.

CAPABILITY BUILDING FOR SCALE.

Building financial infrastructure and scaling finance functions require different skill sets. By deploying expert interim or on-demand financial leadership in the first critical 100 days post-close, investors and founders can quickly create a foundation for unit economics visibility, performance management reporting, financial controls,

and pricing governance. This creates a platform that allows future permanent CFOs to focus on strategic partnership rather than basic operational buildout. This phased approach ensures companies leverage the right financial capabilities at each growth stage, helping them meet investor expectations and maximize operational efficiency.

FINANCIAL SYSTEMS AND TECHNOLOGY ENHANCEMENT.

Data is the lifeblood of high-performing leadership teams and boards. Often, CFOs and leadership get incredibly distracted by working to understand data quality and access, thus frequently shortchanging business partnership and strategic finance. Leveraging interim and on-demand financial systems leadership to map data, identify opportunities for data enhancement and utilization, and deploy next-generation technologies (e.g., AI) can rapidly accelerate financial and operational performance.

BUSINESS MODEL TRANSFORMATION AND MISSION-CRITICAL ANALYSIS.

Often, after the entry of first institutional capital, business models evolve and transform. Such transformations commonly push the limits of an existing team's capacity, understanding, and analysis of the transformation opportunity and execution requirements. On-demand finance leaders, typically combining consulting and in-house finance expertise, provide a targeted point solution to support the board, CEO, and financial leadership in planning for and executing on new business, partnering, pricing, and contracting models.

EXIT PLANNING AND IPO READINESS.

Seasoned finance leaders with deal experience ensure audit readiness and transaction fluency, whether it's an IPO, take-private, strategic sale, or sale to another sponsor. They prepare companies for due diligence, standardize financial reporting, and develop compelling growth narratives that support successful exits. Yet, this is one of the most critical junctures of an investment at which maintaining performance momentum is paramount. On-demand or interim FP&A, investor relations, public reporting, and SOX experts can provide essential support, assisting in-place CFOs to ensure all aspects of the exit process are thoroughly prepared without distraction from performance.

Having access to proven interim finance leadership goes far beyond a contingency plan. These specialized executives address specific challenges and transform potential disruptions into opportunities, not just preserving but accelerating value creation.



Improving Quality of Life through Impactful Leadership

WittKieffer

Interim & On-Demand Leadership

At WittKieffer, we maintain a carefully curated network of exceptional interim CFOs and finance executives who stand ready to address critical business challenges at a moment's notice. Our interim finance leaders bring decades of experience, with extensive backgrounds working in investor-backed healthcare and life sciences companies, having successfully navigated complex turnarounds, scaled high-growth organizations, and guided companies through strategic transactions. Unlike traditional staffing solutions, our approach emphasizes precise fit by matching technical capabilities, leadership style, and cultural alignment to each client's unique situation. With our extensive industry experience and focus, highly qualified consultant team, and rigorous vetting processes, including in-depth interviews, reference verification, and skills assessment, we ensure our interim executives are deployed within 10 days or less, bringing immediate impact while maintaining operational continuity.

WittKieffer's tailored approach ensures our clients have the right financial expertise at critical inflection points when it matters most.

About the Authors

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