

Case Study: Project Hammer

Platform IT Strategy Saves Consumer Services Company \$250K/Year and Achieves \$1B in Revenue After Successful Acquisitions

BACKGROUND

A consumer services company, established in 2016, quickly became a national leader in home maintenance and repair services specializing in heating, ventilation and air conditioning, plumbing, and electrical services. The organization realized that to make a greater growth impact with their investments and services, they needed to rapidly expand their footprint.

ASSESSMENT

The company acquired six different regional entities across the Southeast, Texas, and Southwest with each entity running its own businesses with various applications, systems, and vendors. Besides all the redundant systems, the Business units also had 6 different accounting books and disparate Field Services applications to manage their clients and sales. The model wasn't scalable, had excessive costs operationally, and inefficient business processes. The board also lacked visibility into financial decision-making with inconsistent and segmented systems.

THE SOLUTION

The Roll-up Strategy

RKON created an integration initiative for platform IT that would serve as the foundation for the whole organization. We developed this project post-close, so once the agreement was in place, the company could move quickly and consolidate its entities into an efficient, single-functioning operation with one set of finances.

Platform Creation

Cloud-based solutions and outsourced IT were implemented to enable organizational realignment, thus creating a centralized operation while institutionalizing key processes. The Front Office was standardized into a SaaS platform and the field techs' workflow was simplified so that they could efficiently perform their work yet minimize their data entry and eliminate paperwork. This helped organic sales increase in the first and subsequent years.



\$1B IN REVENUE BY
YEAR 3



INCREASED EXECUTION SPEED
& ACHIEVED A SUCCESSFUL
EXIT IN APPROX. 2.5 YEARS

The back-office was also transformed with all SaaS applications and eliminated the need for traditional data centers. This also simplified and improved their Disaster Recovery and Business Continuity Plan.

Every office was standardized for infrastructure and a centralized Call Center was implemented. The combined efforts of these projects led to the final phase of a Data Analytics project to enable data-driven decisions across all facets of their business.

Lastly, a Risk Management Program was implemented to mitigate liabilities and maintain its Brand Reputation.

Bolt-on Consolidation

The company eliminated redundant systems, processes, and staff through consolidation for greater efficiencies with every acquisition. The Platform IT strategy enabled them to acquire on *average 4-6 companies* (both small and large) every year to help them achieve more than *\$1B in revenue by year 3*.

This improved visibility and transparency in decision-making and increased execution speed so that the initial Private Equity firm was able to achieve a very *successful exit in approximately 2.5 years* when the initial investment thesis was 3-5 years.



COMPANY SAVES \$250K
PER YEAR ON IT COSTS



AVERAGED 4 - 6
ACQUISITIONS PER YEAR

THE OUTCOME

This led to massive growth in revenue but was also an attractive target for acquisition as it was a scalable, secure, and data-driven Platform with a proven track record for growth. This led to a successful exit at a maximized valuation.

Our partnership with the consumer services company enhanced their overall project collaboration and cohesiveness, which fostered key results. For example, the platform we implemented saved the company \$250k per year.

The accelerated time-to-market also increased their returns and allowed early redeployment of funds. The private equity firm that bought them was able to consolidate all entities into one in less than three years.

BENEFITS ACHIEVED

Complete transformation of IT to a Platform allowed the company to go on an acquisition spree.

- The company averaged 4-6 acquisitions per year after the initial integration project was completed.
- Elimination of redundant systems, processes, and staff improved visibility and transparency
- \$250K per year savings for the company

ABOUT RKON

RKON has specialized in IT transformation since 1998, helping private equity and enterprise firms go from vision to execution and achieve "Quiet IT," in which IT seamlessly serves the business strategy versus getting in the way of execution.

Headquartered in Chicago, IL our team has developed a refined approach through years of experience. We deliver a clear vision of scalable, agile, secure, cost-optimized and low-risk end state.

To do this, RKON provides IT solutions in three stages: first building an advisory practice that sends the strategy in the right direction; an execution practice that ensures the vision is turned into reality; and a management practice that keeps the vision on track as IT evolved to best serve the business.

Need to consolidate and modernize your IT systems and processes? Let's chat!

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