



Finding an Interim CFO in a Time of Crisis

The Challenge

Numerous sectors faced financial pressures during the pandemic, but few faced the crisis that befell the seniors care sector. Our client is a non-profit owner and operator of a multi-building campus, providing independent living and long-term-care services. Prior to the pandemic, they had operated successfully for decades, growing steadily, and providing excellent service in their community.

Senior care had already become a more complex sector to navigate, but when outbreaks began to occur, costs escalated as result of overtime expenses, third-party agencies fees, personal protective equipment, segregation of residents, and additional cleaning protocols.

Provincial governments acted as quickly as they could in the circumstances, with programs to fund extraordinary expenses incurred by homes. However, among the confusions over what costs were covered—and *when* the money would arrive—many homes suffered a cash crisis while waiting for the funding to land. For non-profits, like our client, there was no operating margin and little in the way of reserves to cushion the blow. Our client's mid-level management (and its new CEO) had little visibility before they reached the crisis stage.

The Solution

The cash crunch peaked just as the new CEO was onboarding. The board quickly endorsed the action to seek urgent support in the form of an interim CFO. Fortunately, they saw that the crisis required special skills on a (hopefully) transitory basis.

GlassRatner was approached by the Chair of the board's Finance and Audit committee and, after a few fast discussions with stakeholders, we presented several options for interim CFOs to provide leadership through the crisis. Interviews

followed within a few days and a CFO was selected who had deep experience, not only in the non-profit sector, but in dealing with the same government ministries responsible for the regulation and funding in the sector. Farber's restructuring team was also called on to offer advice and guidance and were poised to step in if necessary.

The Outcome

The new interim CFO got to work immediately with the existing finance team and developed an accurate cash flow projection. This was used to engage in meaningful and credible dialogue with the government and to provide the critical reporting needed to expedite the process. Ultimately, with the help of clear communication, the new CEO and others were able to secure the immediate cash advances required to stave off insolvency.

As reported by the Finance Committee Chair during the first week:

"The Interim CFO is making an immediate impact, and we are pleased with the leadership he is bringing to the finance area."

And from the CEO, a few weeks into the engagement:

"The Interim CFO has been coaching and advising the Director of Finance, which we really need. This has already paid off in the Director of Finance's interactions with our bank."

Fortunately, the CEO and the board were able to recognize the need for help before things became unmanageable. And with the resources to select the right person with appropriate skills, GlassRatner was able to insert the expertise needed in time, so our client could return to business as usual.

Going Back to School on What a CFO Can Contribute

Find out how GlassRatner helped one private school find the right executive candidate [Learn more](#).