CASE STUDY

Rebuilding Financial Infrastructure After a Reincorporation

Fractional CFO engagement with a venture-backed equipment rental marketplace

Client	StageWing — event and stage equipment rental marketplace
Business Type	C-corporation; asset-light marketplace with a distributed operator network
Engagement Stage	Infrastructure build complete; growth plan in execution
Purpose of Case Study	Demonstrate diagnostic depth and systems-building methodology

A note on scope

This case study documents a financial-infrastructure engagement. Specific figures, account details, and financial results have been withheld at the client's discretion. The purpose here is to demonstrate the diagnostic process used to take a fast-growing company from unreliable books and undocumented money movement to a defensible financial model, a written operating rulebook, and a sequenced growth plan.

Executive Summary

StageWing rents event and stage equipment through a network of independent operators who deliver and set up equipment for renters. The company operates across more than a dozen states and is partly venture-backed. It runs lean: the founder personally handles sales, customer service, and logistics.

The company had grown faster than its financial infrastructure. A reincorporation from LLC to C-corporation left unresolved obligations on the books. Money moved through six or more accounts with no written rules about which to use. Expenses were classified inconsistently, receipts were not captured, operators were paid through several different banking services, and owner draws were not cleanly separated from business expenses.

The engagement produced three deliverables: (1) a monthly cash flow model built from transaction-level data rather than summary reports, (2) a sequenced growth plan anchored to the business's actual constraint, and (3) a set of written SOPs governing purchasing, expense classification, and money movement — authored for a future bookkeeper so the founder's time stays on revenue.

Client Goals (Stated)

- **Clarity:** Know at any moment whether the business can afford a purchase.
- **Trustworthy books:** Financials that can withstand investor and tax scrutiny.
- **Growth:** A defensible plan to increase rental volume without adding founder workload.
- **Delegation:** Financial operations that a bookkeeper can run without founder involvement.

Diagnostic Summary

- **Entity transition residue:** Obligations created by the dissolved LLC were still being serviced by the new corporation, with no documented treatment.
- **Untrustworthy ledger:** A payment processor had been configured as a bank account, producing duplicate transactions. A receivables balance appeared on the books that the business model cannot generate.
- **Undocumented money movement:** Six-plus accounts across banking, card, and payment platforms with no rule for which to use when. Transfers to an outside account with no recorded purpose.
- **Reporting risk:** Operators were paid through multiple banking services, making year-end 1099 reporting a manual reconstruction.
- **Documentation gap:** No receipt capture, no month-end close checklist, and a chart of accounts that had grown past usefulness.

The Engagement Framework

My work on infrastructure engagements moves in four phases. Each phase ends with an artifact the client keeps regardless of whether the engagement continues.

Phase	Purpose	Key Activities	Output
1. Forensic Review	Establish what the books actually say	Transaction-level review of every month; identify duplicates, phantom balances, unexplained transfers	Reconciled ledger; documented list of anomalies
2. Modeling	Turn clean data into a decision tool	Build monthly cash flow model from actuals; test treatment of legacy obligations and investment instruments	Cash flow model; defensible treatment for each open item
3. Constraint Analysis	Find what is actually limiting growth	Evaluate proposed growth levers against the model; identify the binding constraint	Sequenced growth plan with rejected alternatives documented
4. Systems & SOPs	Make the fix durable	Write purchasing, classification, and money-flow procedures; define close cadence and controls	SOP set; purchase rubric; close checklist; 1099 process

Phase 1 — Forensic Review

I do not accept a summary report as the starting point. I went through every month of the company's ledger transaction by transaction. That is slower, and it is the only way the real problems surface — most of what I found was not visible in the financial statements. It lived in the gap between what the statements said and how the business actually operates.

What the review surfaced

- A duplicate transaction set created when a payment processor had been set up as a bank account in the accounting system.
- A receivables balance on a business that collects at point of sale and therefore should carry none.
- Legacy debt from the dissolved entity, incurred against real business expenses, still being paid by the successor corporation with no documented accounting treatment.
- Recurring transfers to an outside personal account with no recorded purpose.
- Ambiguity about whether a major investment instrument was debt or equity — resolved through document review, which changed how it sits on the balance sheet.

Phase 2 — Modeling

With the ledger reconciled, I built a monthly cash flow model sourced directly from the cleaned actuals. Each anomaly from Phase 1 received a documented treatment rather than a workaround, so the model can be handed to an accountant, an investor, or a future CFO without a verbal explanation attached.

Phase 3 — Constraint Analysis

The model made the constraint obvious. Revenue was not limited by demand. It was limited by how much customer service and logistics load a single person could absorb.

This mattered because the intuitive growth levers did not address it. We considered and explicitly rejected adding renter fees and an operator subscription: both would have raised revenue per transaction while leaving the bottleneck untouched, and both risked the operator network the business depends on.

The agreed plan, in sequence

Step	Action	Why this order
1	Activate two additional operators	Proves the network can grow before spending on demand
2	Hire an operations person or automate the service load	Removes the binding constraint on the founder
3	Activate three more operators	Scales supply now that service capacity exists

4	Run a dual renter and operator marketing campaign	Demand generation only after fulfillment can absorb it

Phase 4 — Systems & SOPs

Clean books do not stay clean without rules. I wrote the procedures deliberately for a future bookkeeper rather than for the founder — her time belongs on revenue, not on classification decisions.

Workstream 1: The purchase rubric

Rather than approving spending case by case, we built a rubric with two inputs: available cash and expense category. Below a defined cash floor, no discretionary spending is permitted at all. Above it, a set of categories are automatic approvals under a fixed dollar cap — software renewals, insurance, shipping, and event equipment. A second set always escalates regardless of amount: food and beverage, travel, conference and event tickets, and equipment not tied to a specific booked event. Equipment sits under the cap for now because those purchases deserve a value-for-money conversation, not a reflex.

Workstream 2: Money movement and controls

- **Single operating account and default card,** with the redundant payout service retired.
- **Universal receipt capture** in the accounting system, with no dollar threshold — appropriate for a lean business where unexplained transactions were common.
- **Consolidated operator payouts** onto a single banking service so year-end reporting comes from one source.
- **A month-end close and reconciliation checklist** — performed by a bookkeeper, reviewed by me.
- **A locked and streamlined chart of accounts,** against which the classification SOP is written.

Workstream 3: Compensation structure

Salary processes, contractor payments, and business withdrawals can get expensive if not handled properly. These processes were flagged, scoped, and put on a remediation calendar.

Deliverables Left With the Client

- **Reconciled ledger** with a documented anomaly log and treatment for each item.
- **Monthly cash flow model** built from transaction-level actuals.
- **Sequenced growth plan** with the constraint named and rejected alternatives documented.
- **SOP set** covering purchasing, expense classification, and money flow — delivered as a single reference document.
- **Purchase rubric** the founder can apply without opening the books.
- **Month-end close checklist** and a defined review split between bookkeeper and CFO.

- **Remediation calendar** for outstanding compliance and process items.

Reflection on the Engagement

This engagement illustrates the approach I bring to infrastructure work: go through the books line by line before offering an opinion, then write the rules so we are able to concentrate on growth strategy.

The company arrived with a growing business and books nobody fully trusted. It left with a model based on real financial data, a rulebook for financial decisions, and a growth plan based on observed constraints.

What this case study demonstrates

- Forensic discipline — transaction-level review rather than reliance on summary reports
- The ability to distinguish a reporting problem from an operating problem
- Strategic restraint — rejecting revenue levers that do not address the actual constraint
- Systems thinking — converting one-time cleanup into durable written procedure
- Delegation design — building for the bookkeeper who comes next, not for the founder

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— End of case study —