



# THE JOURNEY TO EXIT

With  
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When preparing a business to exit, building a strong executive team, retaining key talent, and hiring strategically to support the goals of the new entity are paramount. This article, part-two of the M&A mini-series, explores the challenges and opportunities of an exit on hiring and workforce management pre and post-transaction in collaboration with Camino Search's Head of M&A and Corporate Development Practice, Nathan Placks.

## IPO

Taking a company through an IPO is a complex and lengthy process, typically requiring at least two years of preparation. This can involve a comprehensive restructuring, strategic talent acquisition, external auditing, strengthening investor relations, and establishing robust regulatory frameworks to ensure the company is fully prepared for the demands of the public markets.

### The Executive Team

Companies preparing to go through an IPO need to have a strong executive team and board in place, particularly in finance, legal, and operations, with experience operating in public markets. From my experience, this often means hiring a CFO with IPO experience and bolstering the board with independent experienced directors. Given the extensive vetting and lengthy recruitment process involved in executive hiring, most companies begin at least 18-24 months pre-IPO.

Hiring a seasoned CFO is particularly important when the CEO lacks prior IPO or public market experience, enabling the CFO to take the lead throughout the transaction. CEOs and investors in our network look for CFOs with previous IPO experience who can hit the ground running, already experienced with the strategic planning and implementation required to go public and to meet regulatory requirements.

That being said, those who have worked in public markets but not handled the transaction itself can also bring valuable experience to the process and are well placed to lead a company through the next phase in its lifecycle as a public entity post-transaction.

It's also common to lose key members when working towards a listing. Many of the key positions become very different in nature; for example, a CFO will spend a lot more time dealing with analysts and the city away from their traditional responsibilities.

### Finance and Accounting

In the 12 to 18 months prior to the transaction, the company will need to bring in or develop a finance and accounting team capable of handling public company reporting requirements, including SEC filings, SOX compliance, and investor relations. This may mean bringing in additional experienced professionals for controllership, tax, treasury, and internal audit functions, often contractors.

### Corporate Development

"Throughout the IPO process there is a shift in that the M&A hiring slows, and corporate development hires take its place," says Nathan Placks.

"Within the six to 12 months before the IPO, there should be a fully operational corporate development team to support the company's pre-IPO preparations. They will be involved in finalising pending deals, shaping the growth narrative for the IPO prospectus, and ensuring that all strategic initiatives are aligned with the company's public market goals."

### Non-Executive Directors

To ensure a successful IPO, new board members should be brought on board six to 12 months in advance to integrate with the existing team and participate in key decisions.

Typically one to three new Non-Executive Directors (NEDs) are appointed pre-IPO to lead key committees. I don't recommend replacing the entire board, in order to maintain continuity and stability.

NEDs play a key role in preparing the company for its new public status, implementing corporate governance frameworks, defining board committee responsibilities, enhancing internal controls, and refining accounting policies. Having an advisor or NED with experience of the IPO process is beneficial both before and after the transaction, as their expertise can help navigate the complexities of the transition effectively.

### Investor Relations

Bringing in an investor relations specialist for an IPO is essential to effectively communicate the company's value, manage investor expectations, and build confidence in the market. They ensure clear, consistent messaging, handle complex financial disclosures, and foster strong relationships with institutional investors and analysts, which is critical for a successful public debut and long-term market credibility.

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### PE EXIT

12 to 18 months before a PE transaction, there is a dramatic shift in focus towards the bottom line; demonstrating profitability and sticky customer relationships is key, particularly in service-based organisations. This often means slowing down on M&A, keeping cash compensation low, and only making hires that are crucial to professionalisation, typically within finance and accounting.

### The Executive Team

The changing workforce dynamic of a leadership team pre-PE exit can vary significantly and is influenced by many factors including business performance, individual performance, current ownership structure, personal plans of the current team. The idea is that the value creation plan should have been successfully executed and thus the management team will be solid in the lead up to the exit.

An experienced PE CFO is often brought on board 12 months pre-sale to guide the company through the due diligence process, and ensure that all financial reporting is accurate and optimised to maximise the company's valuation. They will be responsible for identifying areas where the company can enhance its financial metrics, streamline operations, and address any potential red flags that could negatively impact the sale.

From my experience, ahead of a transaction you need super 'scrappy' people who are happy to be hands-on, often doing two or three different jobs at a time to get the process moving, particularly in SMEs.

If the existing CFO lacks the necessary transaction experience, the company will likely replace them or bring in external advisors who can provide the required expertise. This can include hiring an interim CFO with a strong track record in similar transactions or engaging a financial consultancy to support the existing team. The goal is to have leadership in place that can effectively communicate with potential buyers, manage the complexities of the sale, and align the company's financial strategy with the expectations of PE investors.

### Finance and Accounting

Strengthening the finance team with experienced controllers and senior accountants is important for ensuring that financial reporting is solid and can meet the standards of PE due diligence. A well-prepared finance and accounting team helps maintain accurate and transparent financial records, reducing the likelihood of issues during the transaction.

Often when a company is preparing for their first PE investment, they will have a great product but lack a strong commercial team and so will look to bring in a strong commercial C-suite - 1, either in controllership or FP&A to gain better commercial insight post-sale.

The business might also bring in external auditors, financial consultants, and investment bankers to assist with the sale process, ensuring that financials are presented clearly and effectively. It is also common to bring in a transformation specialist pre-deal to support on professionalisation.

To retain key finance and accounting talent, PE firms may offer equity-based compensation or other incentives, aligning the team's interests with the company's goals.

### M&A

"As the sale approaches, the focus on new M&A deals usually decreases and the team may pause or slow down non-essential acquisitions, especially those requiring long integration timelines, to keep the business streamlined for the sale," says Nathan Placks.

"That being said, the role of the M&A team continues to be integral to getting the transaction over the line and for the future plans for the portfolio company.



Pre-sale they will focus on sell-side due diligence, integration and synergy realisation. Post-sale they will focus on executing the value creation strategy implemented under the new ownership.”

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## MERGER

When a company is going through a merger or reverse-merger, the focus on hiring and workforce management typically revolves around integrating the two organisations and optimising talent to support the combined entity’s goals. The talent due diligence process typically starts a minimum of six months in advance of the transaction.

Before the merger, both companies will evaluate their respective workforces to identify key talent, skill gaps, and areas of potential redundancy. This helps in planning for an optimised post-merger workforce. They will identify key personnel whose retention is critical to the success of the merger and may offer retention bonuses or other incentives before the merger is finalised.

After the talent acquisition and retention strategies have been outlined, the focus shifts to upskilling and re-deploying those being kept on, and offshoring or outsourcing where possible to streamline the workforce and create efficiencies.

## The Executive Team

Ideally, pre-merger, decisions are made and announced about who will hold key leadership roles in the merged entity and the alignment of responsibilities to ensure the combined entity operates efficiently with clear reporting lines. This is great for transparency and clarity for the teams, who can, understandably, be concerned throughout this period of growth. However, it isn’t always as smooth as this. Great communication around the leadership changes within mergers is critical to success.

From my experience, it is most common for the executive team from the larger entity to be retained, with the exception of essential specialist executives from the smaller entity who may also be kept on. In some cases, we have seen the CEOs of the smaller entity transition into group positions as divisional business leads.

## Finance and Accounting

Typically, the existing finance team will remain consistent throughout the sale and integration process. Depending on the existence and structure of their equity packages, supporting on the integration may be part of their equity earnout, otherwise they may depart sooner.

Subject to the size and structure of the entities, very senior or specialist finance professionals can be transitioned into group positions within the centralised finance team post-transaction.

Whilst the existing team may stay on to support on the integration process, it is also common for interim finance integrations specialists to be brought on board to oversee this process.

## Mergers and Acquisitions

“Companies may look to bring in additional M&A professionals or contractors before the merger to manage the increased workload, including due diligence, deal structuring, and integration planning,” says Nathan Placks.

“Post-merger, the M&A team may be consolidated or redefined to align with the wider entity strategy; their focus shifts to integration effort, looking at synergies within the merged entity.

Mergers can be used as a starting point for roll-up strategies, with the initial merger creating a larger, more stable entity that can serve as a platform for further acquisitions. This approach leads to the creation of lots of new positions within the M&A function, including origination experts who would not be needed otherwise.

CentralNic, now Team Internet Group Plc, is a great example of a company that went through a reverse-merger and became a platform used for a roll-up, having acquired more than 20 companies since 2014.”

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## ROLL-UP

When a business is acquired as part of a roll-up, the acquiring company typically retains key leadership figures from the acquired business to ensure continuity and leverage their expertise, sometimes offering new positions within the group and equity incentives. However, new leaders from the parent company or other acquisitions may be introduced to align operations with the broader roll-up strategy.

“Whilst the technology and sales function see minimal change, back office functions like HR, finance, and IT may be centralised across the newly formed group to streamline operations as part of talent rationalisation. This can lead to restructuring and layoffs in these areas in an effort to increase EBITDA by stripping back human capital and implementing AI.

To support the larger combined entity’s goals, new talent may be brought in across M&A, integration management, and operations to facilitate the smooth integration of additional acquisitions.

Other roles related to scaling the business, such as supply chain management, and customer service, may also see new hires to support the larger, combined entity's growth," says Nathan Placks.

### Executive Leadership Team

There is typically little immediate change in the executive team when acquired into a roll-up, with founders and CEOs remaining with the business for continuity or transitioning into a portfolio position within the group.

Roll-up CEOs must be efficient operators, calm in the chaos of complex acquisitive entities, and highly visible across all businesses within the roll-up to maintain cohesion and drive strategy.

Often, the acquired business lacks a formal succession plan, which can lead to challenges post-acquisition. Addressing succession planning pre-deal ensures leadership continuity and mitigates risks associated with leadership transitions within the newly formed group.

### Finance and Accounting

The impact of this transaction on finance talent varies significantly depending on the size and structure of the combined entity, with some operating on a centralised model and others keeping finance decentralised. Where decentralised the team will remain largely the same, though there will be additional requirements of reporting into the group and a focus on up-skilling.

### M&A

"The M&A team is instrumental in the post-acquisition integration process, working with different departments to ensure that newly acquired businesses are effectively integrated into the larger organisation," says Nathan Placks.

"Where the acquired business will become the foundation of a new platform, the acquiring company will utilise the acquired M&A team, otherwise there may be redundancies. Their focus is on achieving synergies and improving operational efficiencies.

As the roll-up strategy progresses, the roles within the M&A team may evolve to better support this approach. This can include expanding responsibilities, such as overseeing a portfolio of acquisitions, managing integration across multiple businesses, or even transitioning M&A leaders into GM roles within the expanded organisation."

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### TRANSFORMATION

Regardless of which route to exit you are taking, bringing in finance transformation experts when selling a business ensures the company's financial operations are optimised and aligned with both buyer expectations and future growth. These specialists play a vital role in streamlining processes and systems both pre- and post-deal, ensuring the financial function is positioned for success.

"Pre-deal, finance transformation experts streamline financial processes, professionalise the function, conduct due diligence, and address inefficiencies that could impact valuation," says Senior Talent Partner, Harry Hedges.

"Their work can include optimising or implementing ERP systems, automating processes, and integrating bolt-ons into the existing infrastructure, and assessing IT systems for scalability and efficiency. Typically starting three to twelve months before the sale, these experts ensure the finance function is robust, transparent, and prepared for buyer scrutiny and future growth.

Post-deal, finance transformation experts focus on integrating financial operations with the buyer's systems to ensure a smooth transition and alignment with the new ownership's goals. They manage financial reporting, ensure compliance, and drive synergies. This may involve deploying a new ERP, creating an integration roadmap for future bolt-ons, restructuring the finance team, or outsourcing roles to a shared service centre for improved efficiency. Their goal is to ensure operational stability and support sustainable growth under new ownership, meeting both operational and strategic needs."

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### COMING NEXT

The next article the final edition of this three-part mini series on M&A featuring Nathan Placks, covering permanent capital investment structures.

*Executive Edge* is Camino Search's bi-weekly column, showcasing our insights on the market, talent acquisition and business strategy, authored by Founder and Managing Director, Harry Hewson.

## About Us

# TALENT THAT TRANSFORMS BUSINESSES

Camino Search is your trusted partner and advocate in the market. Your success is our priority, and we're here to support you every step of the way. From advising start-ups and SMEs on their first finance hires through to full team builds, we source the industry's leading talent through our extensive network, cutting-edge software and data-led market analysis.

We are committed to working at pace without compromising on quality, consistently maintaining efficient yet thorough processes, leveraging our international and regional networks. More than just recruiters; we are true talent partners and trusted advisors, guiding both individuals and organisations towards their goals, dedicated to making a meaningful impact.

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