

Effecting enterprise valuations

Practus uses tech as an enabler to improve profitability



Narayanan and Venkat: disrupting the consulting space

Last year, MyCFO, which is into the office of CFO, performance improvement and business transformation services, completed a rebranding exercise. “The gist of this rebranding was the merging of all the existing brands – MyCFO, MyCXO and Practus – to a single brand name Practus,” explains Deepak Narayanan, founder & CEO, Practus, who created the company, with a mission to disrupt the consulting space. Practus, previously known as MyCFO, has become synonymous with assisting customers to solve business problems, using technology as an enabler, to improve profitability, improve cash flows and enhance enterprise valuations. With 250 plus employees, who are inspired to think differently the company wants to change and disrupt the consulting space across geographies.

Narayanan’s tryst with entrepreneurship began in 2007. As a CA, he had started with AF Ferguson (which became a part of Deloitte) and Ernst & Young, advising large corporations. As a disruptor and value creator, he soon realised that there were glaring gaps in business consulting practices. “I realised that, while the risk was largely on the customer, consulting firms could get away under the garb of merely providing advice, without any ‘skin in the game,’” adds Narayanan, under whose stewardship Practus has pioneered the concept of providing customers in the consulting domain with measurable

return on investments (RoI) for the consulting fees paid.

Connecting the dots

“Practus is critical to the change that enables, empowers and enthuses the systems, processes, and resources, to align with the evolving organisational goals, as an implementation services company,” says S. Venkat, co-founder, Practus, which is a boot-strapped company, serving family-owned, private equity and venture capital-backed, listed firms, MNCs and social impact organisations that benefit from Practus. The company has operations in New York, Dubai and India and serves a global client base spanning all industry verticals and sizes. It connects the dots, uncovers what is invisible, creates value and produces results for start-ups, mid-size businesses and multinational corporations. “By committing three times to 12 times RoI on our fee, we take the entire ownership of the change and work on an outcome-based strategy,” adds Venkat, who has been at the core of the business over the last 25 years and has been involved in financial transformations for over 500 clients globally. He started his career with PwC, where he worked for eight years.

He also worked as a CFO, services, for a medical implant distributor, Ortholitus, which has been Evolutis France’s international partner for distributing and marketing joint replacement devices for hip, knee, shoulder

and arthroplasty. Ortholitus distributes its goods throughout India through a strong distribution network. “Our CFO solutions assisted the medical implant distributor in bringing fixed allowance structure resulting in benefits of \$21,500 and better treasury planning by optimum utilisation of funds on a timely basis, collections, and payables efficiencies,” says Narayanan.

Practus’ role in CFO services is to align the chart of accounts to produce the correct profit-and-loss statement and balance sheet, preparation of MIS reports with in-depth analysis to aid decision-making, budgeting, forecasting and cash flow planning on a regular basis -- besides managing external stakeholders such as bankers, auditors, lawyers, consultants, and others, as well as reviewing legal agreements and product prices.

“Our purpose is to disrupt the ‘consulting’ space and challenge the status quo. For the longest period of time, consultants have serviced clients using a Time & Material or a fixed fee model, without linkage to delivering tangible business outcomes. Practus is committed to change that paradigm by committing and delivering to an RoI, which is expressed as a multiple of the fee that we charge our clients. We grew revenues by three times at a CAGR of 58 per cent and EBIDTA by 10 times between June 2020 and September 2022. The growth has been driven through unrelenting focus on client delight, people well-being and focus on improving the business model”, says Narayanan, building a capable leadership team.

“Our group revenues (including all service lines and geographies) are expected to grow between 8-10 times in the next five years,” adds Venkat. “More importantly, we are focussed on quality of earnings over just growth rates. The problems we are able to solve for our clients, the longevity of contracts, the RoI we are able to generate, the profitability and the cashflows we are able to generate, etc, are a lot more critical for us,” sums up Venkat. ♦

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