

# CEO Rights Rudderless Ship and Navigates Behavioral Health Platform through COVID, Setting Up VC Investors for a Profitable Exit

Stabilized the company and embraced the marketplace, leading to significant growth and a now-sterling reputation that new investors can further maximize

## Our Challenge

When a leading VC firm known for technology investing made its first foray into healthcare, it sought out a search partner to help it build a multi-site behavioral health company's C-suite. The investment team specifically wanted this partner to have an extensive healthcare background and network, significant operating experience, and first-hand knowledge of a particular geographic area. We checked each of those boxes.

Their initial request: Find a PE-savvy CFO to partner with the founder CEO. More consequentially, they later needed a lightning quick search for a very specific CEO profile after the founder's messy exit left the company's leadership team and finances in disarray.

## Our Solution

Despite the company's unappealing location, we presented an exceptional, willing-to-relocate CFO with over 20 years' experience that included significant exposure to behavioral health, investor-backed, start-up, and intense M&A environments.

Before the VC firm parted ways with the founder CEO, he nearly drove the company into the ground. There wasn't time for the typical 90-day search. Instead, we identified the ideal CEO within our network who we knew was seeking a new opportunity. To the candidate, we presented this turnaround challenge as a chance to work with a leading VC firm, make a name for himself, and realize a tremendous economic opportunity. To the VC firm, we emphasized the candidate's in-depth knowledge of the geographic market and multi-site healthcare facility services. Within three weeks of introducing the two parties, the CEO was hired and ready to right the ship.

## OUR OUTCOME

Our hand-picked CEO surrounded himself with a strong leadership team, which included an SVP controller we recruited. It's still in place today after seven years. With the help of this team, he doubled the company's size over the last five years by expanding services from geriatric-only to all ages, opening new inpatient and outpatient facilities, acquiring existing ones, and partnering in joint ventures with key market players.

He also successfully led the expanding company through the challenges of the pandemic, after which it was poised for its next phase. The original VC firm recently sold the company to a healthcare-focused PE firm. **The new owner has the advantage of being able to immediately scale a fully professionalized business to the next level through additional acquisitions and new facility developments.**

## ADDITIONAL ACHIEVEMENTS

- Company headquarters has been relocated to a major metropolitan area for better exposure.
- Facilities consistently achieve performance, quality and safety measures per CMS and Joint Commission.
- The platform has made the Inc. 5000 list of fastest growing private companies four years in a row.
- The footprint has expanded from two states to three.

## KEY RESULTS



**5** behavioral health hospitals opened in a single year



**13 to 41** total increase in facilities



**\$350-\$400** million in expected revenue this year