



## ABOUT HASTINGS EQUITY PARTNERS

Headquartered in Houston, Texas, Hastings Equity Partners is a private equity partner that focuses on founder-led, lower-middle market businesses that are positioned for rapid growth. Founded in 2004, the firm invests in small-to mid-sized industrial services and manufacturing companies. Hastings creates long-term partnerships with entrepreneurs, providing them their first institutional capital while helping them scale.



### THE CHALLENGE

- Delayed information for proactive and effective portfolio management
- Inefficient financial analysis due to uniformity
- Manual preparation of quarterly investor reports



### THE SOLUTION

- Time saved with automated reporting
- Swift identification of trends and comparisons
- Pre-populated and customizable spreadsheets



### THE RESULTS

- Improved partnerships using real-time data
- Consistently defined financial results
- Up-to-date reports and analytical spreadsheets

# Hastings Equity Partners Reduces Risk of Potential Portfolio Hinderances

Firm utilizes a customized early warning system for problems at portfolio companies

## THE CHALLENGE

In early 2020, Hastings Equity Partners, commissioned Vice President, Kathryn Cantlon to lead their new enhanced portfolio management function. As an accountant by training, Cantlon has created a formal process for due diligence and ongoing reviews of the firm's investments. Through her leadership, she also spearheaded the selection and installation of the Cobalt platform to collect and analyze portfolio company financial information. Prior to implementing Cobalt, Hastings faced challenges with prolonged reporting, non-uniform information, and endless cutting and pasting.

## THE SOLUTION

### What is the primary goal of your ongoing monitoring of portfolio companies?

“As a firm, we are focused on partnering with our companies to grow and manage the business. We want to be able to more proactively take action. Right now, for example, cash is more important than ever, so I want to track the accounts receivable across all of our companies. If the receivable days outstanding increases at one of them, I can pick up the phone sooner and ask management what’s going on.”

### How was company data handled in the past?

“Each team member was responsible for the companies they were the lead on. Each company would send us their financial statements in its own format. Everyone would have different income statement line items, different definitions of EBITDA, and so on. You couldn’t easily or efficiently compare companies or find trends.”

### How did you put together your reports for your investors?

“To prepare our quarterly reports, we’d have to track down Excel files for all the different companies, then copy and paste the numbers we needed. It was very easy for someone to mistype a decimal point or for other errors to find their way in. That translated into extra time and resources to ensure accuracy.”

### How did you decide on Cobalt as your software platform?

“We knew we wanted a cloud-based platform so everyone could use it without downloading anything. We were mainly interested in portfolio management, so we ruled out vendors that had a lot more than we needed. The biggest thing that appealed to us about Cobalt was how easy it is to use for financial analysis. Cobalt’s team built the first set of reports for us. But I can go in and easily change it, moving boxes around, without having to pick up the phone and call somebody. Cobalt’s Excel plugin was very appealing as well.”

### Why was the Excel plugin important to you?

“The Excel plugin is the Cobalt feature I’m going to get the most value from. I can create a spreadsheet. Then with one click, I can populate it with the data from whatever date I want. If I’m sending information within our portfolio team, I can send a spreadsheet instead of a PDF so they can manipulate the numbers and do their own analysis.”

### What was it like to get set up on Cobalt?

“Way easier than I would have imagined. Once we settled on templates, it was seamless. I had a weekly 30-minute call scheduled with the Cobalt implementation team and we’d get through everything in 10 minutes.”

## THE RESULTS

### How has Cobalt changed how you do your work?

“Time saved, for sure. Before the system was up and running, it took me a day or two to put together the quarterly reports. I’d pull the files, run the numbers, make sure we’re calculating everything the same way, then double-check everything. The first time I used Cobalt, I could set everything up in an Excel file in an hour or two. Next quarter, it will take 15 minutes.”

### How are the members of your deal team going to use the data from Cobalt?

“We have seats on each of our company’s boards, and we want the board meetings to be more focused on strategy and growth rather than reviewing last quarter’s numbers. With Cobalt, we can streamline the process and generate the financial documents ahead of time. If we see an issue, we can start a conversation with management and the board.”

## DISCOVER SOLUTIONS

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