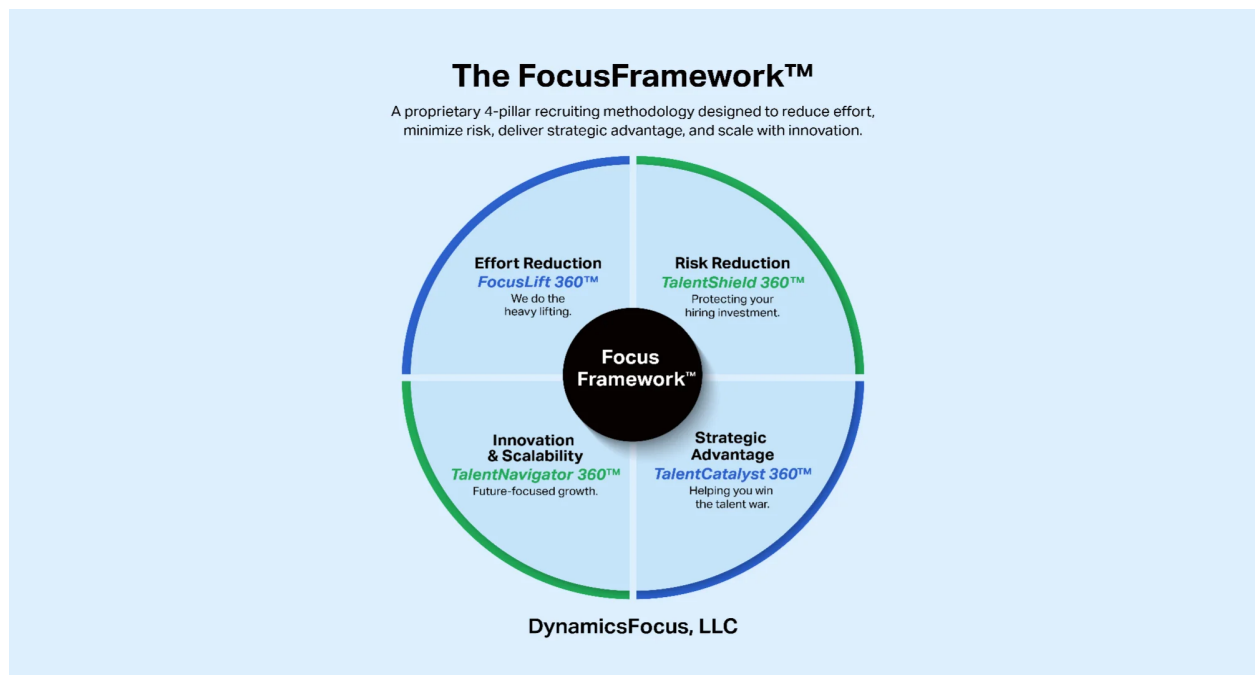


# The Partner Firm Acquisition Playbook

## How PE/VC Firms De-Risk Leadership Transitions and Accelerate Growth in Microsoft Dynamics & NetSuite Consulting Practices

Strategic Guide to Executive Placement and Practice Team Development



Brought to you by DynamicsFocus, LLC

# Executive Summary

**The Challenge:** Your firm acquires a Microsoft Dynamics or NetSuite implementation partner. The founder-CEO resists change. The CFO lacks PE experience. Practice leaders are billable consultants, not managers. Six months later: revenue decline, consultant attrition, client dissatisfaction.

**The Root Cause:** Partner firms are built on founder relationships and technical delivery—not scalable leadership or operational excellence. Most acquisitions inherit 'leadership debt' that threatens value creation.

## **This Playbook Delivers:**

- Pre-acquisition leadership capability assessment frameworks
- 90-day post-close executive transition roadmap
- C-suite replacement strategies (CEO, CFO, COO)
- Practice leadership evaluation and upgrade plans
- Sales leadership transformation approach
- RPO solutions for rapid practice team expansion
- Four flexible engagement models (Retained, Engaged, RPO, Contract)
- FocusFramework™ methodology for reducing risk and accelerating results
- Real-world case studies with proven ROI

# Part 1: The Hidden Cost of Leadership Gaps in Partner Acquisitions

## The \$4.7M Leadership Mistake

A PE firm acquired a 45-person NetSuite implementation partner for \$22M (1.8x revenue). The founder-CEO agreed to stay for 18 months. Six months post-close:

- **Founder-CEO disengaged:** Stopped attending client meetings, resisted PE reporting requirements, undermined new initiatives
- **CFO overwhelmed:** Lacked PE experience, couldn't produce accurate utilization reports, missed revenue recognition issues
- **Practice leads ineffective:** Top billable consultants promoted to management but had no leadership experience, team management skills, or sales capability
- **Sales leader departed:** VP of Sales left for competitor, taking 3 top account executives and \$2.8M pipeline

### Results:

- Revenue declined 18% (\$2.2M)
- EBITDA margin compressed from 22% to 14%
- 12 consultants departed (27% attrition)
- Implementation quality suffered, client satisfaction dropped
- Emergency leadership replacement cost \$450K
- Business disruption and lost opportunity: \$2M+

### Total Impact: \$4.7M+ in value destruction

The problem wasn't the business model—it was leadership incapable of operating in a PE-backed environment.

## Why 71% of Professional Services Acquisitions Underperform

According to Deloitte's 2024 M&A Trends in Professional Services report, 71% of acquisitions fail to achieve projected EBITDA targets in Year 1. Top drivers:

- Inadequate leadership transition planning (79%)
- Founder dependency and lack of management depth (68%)
- Inability to scale beyond founder relationships (61%)

- Weak financial controls and operational discipline (57%)
- Sales leadership gaps post-acquisition (54%)

**The fundamental issue:** Partner firms are built for delivery, not growth. They lack the leadership infrastructure required to scale under PE ownership.

# Part 2: The PE/VC Partner Acquisition Leadership Framework

## Understanding Leadership Capability During Due Diligence

### Critical Assessment Areas:

#### 1. C-Suite Evaluation

- **CEO/Founder:** Willing and capable of transitioning? PE-friendly mindset? Successor identified?
- **CFO:** PE reporting experience? Accurate utilization tracking? Revenue recognition competency?
- **COO (if exists):** Operational excellence background? Scalability focus? Process-driven?

#### 2. Practice Leadership Assessment

- **NetSuite/Dynamics Practice Leads:** Managing vs. doing? Sales capability? Team development track record?
- **Industry Vertical Leads:** Client relationship ownership? Revenue accountability? Scalable model?
- **Technical Architecture Leads:** Mentorship capability? Quality standards enforcement? Methodology adherence?

#### 3. Sales Leadership Viability

- **VP/Director of Sales:** Structured sales process? Pipeline management discipline? PE growth expectations?
- **Account Executives:** Retention risk? Compensation alignment? Non-compete enforceability?

#### 4. Consultant Bench Strength

- **Senior Consultants:** Flight risk assessment? Loyalty to founder vs. firm? Compensation competitiveness?
- **Mid-Level Consultants:** Promotion readiness? Skill gaps? Training needs?
- **Junior Consultants:** Development pipeline? Mentorship availability? Retention factors?

## The 90-Day Post-Close Leadership Roadmap

Timeline	Key Activities	Leadership Focus
Days 1-30 ASSESS & STABILIZE	<ul style="list-style-type: none"><li>• Meet all leaders 1:1</li><li>• Document skill/mindset gaps</li><li>• Identify flight risks</li><li>• Secure client relationships</li><li>• Review org structure</li></ul>	Assessment and relationship building
Days 31-60 PLAN & RECRUIT	<ul style="list-style-type: none"><li>• Define target org design</li><li>• CEO transition plan</li><li>• CFO upgrade strategy</li><li>• Practice leader development</li><li>• Sales leadership evaluation</li><li>• Launch executive searches</li></ul>	Strategic planning and recruitment initiation
Days 61-90 EXECUTE & TRANSITION	<ul style="list-style-type: none"><li>• Close Priority 1 hires by Day 75</li><li>• Announce leadership changes</li><li>• Transition founder</li><li>• Establish PE reporting</li><li>• Implement new sales structure</li></ul>	Execution and stabilization

# Part 3: DynamicsFocus Service Offerings for Partner Acquisitions

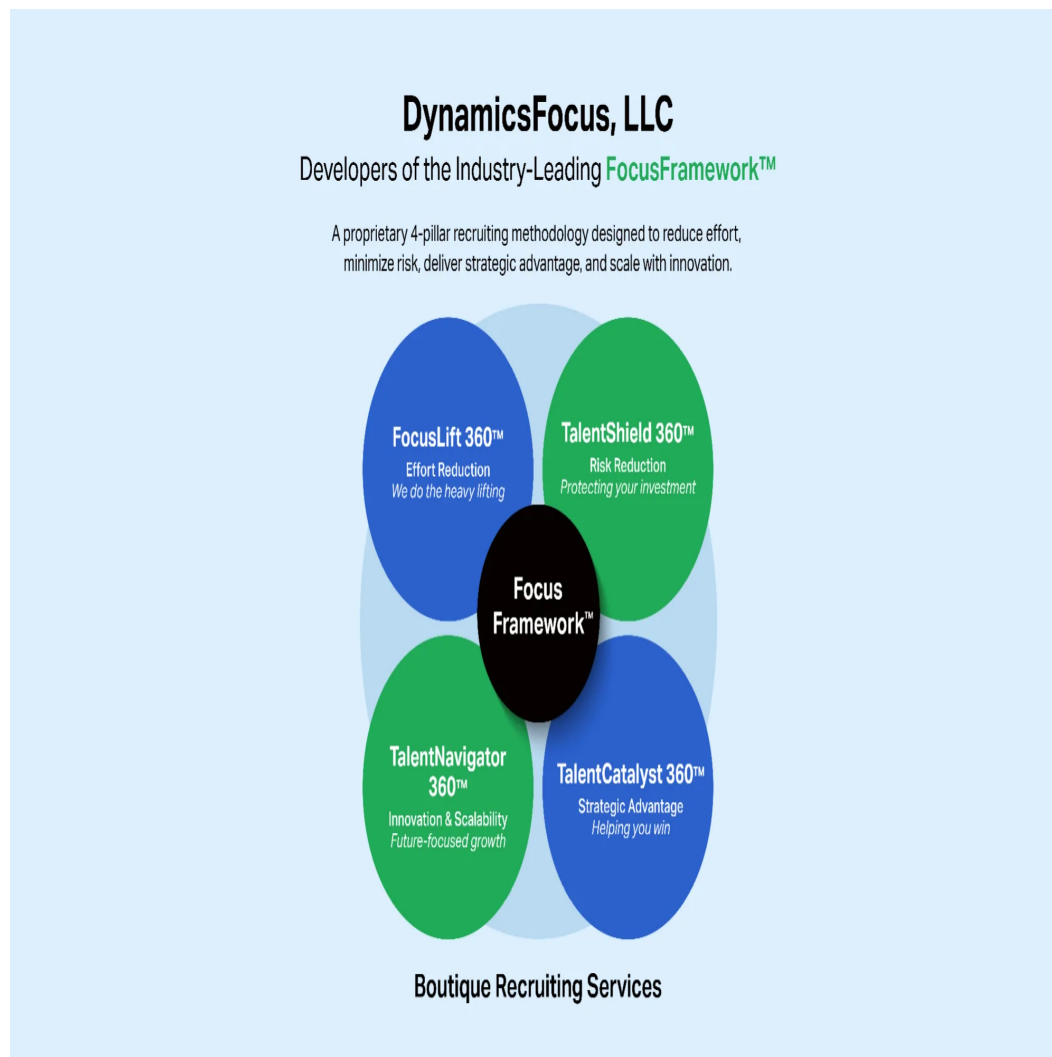
PE/VC firms acquiring partner organizations need specialized recruiting expertise. We offer four engagement models designed for professional services M&A scenarios, all supported by our proprietary FocusFramework™ methodology:

**The FocusFramework™** is our proprietary 4-pillar recruiting methodology that reduces effort, minimizes risk, delivers strategic advantage, and scales with innovation. Every engagement—regardless of service model—benefits from this proven approach that has helped PE/VC firms successfully navigate complex leadership transitions and practice buildouts.

## Choose Your Engagement Model

Service Model	Best For	Key Benefit	Fee Structure
Retained Executive Search	CEO, CFO, COO, VP Sales replacements	100% passive talent access, confidentiality	3-part payment
Engaged Recruiting	Practice leaders, senior consultants	Minimal upfront cost, fast fill	Small engagement fee
RPO Services	Building new practices, scaling teams	30-40% cost savings, dedicated resources	Monthly retainer
Contract Resources	Interim leadership, surge capacity	Immediate deployment	Hourly or block rate

## Part 4: The FocusFramework™ Methodology



**FocusLift 360™** – Effort Reduction: *We do the heavy lifting*

**TalentShield 360™** – Risk Reduction: *Protecting your investment*

**TalentCatalyst 360™** – Strategic Advantage: *Helping you win*

**TalentNavigator 360™** – Innovation & Scalability: *Future-focused growth*

Every engagement—regardless of service model—is powered by our proprietary FocusFramework™ methodology, designed to reduce effort, minimize risk, deliver strategic advantage, and scale with innovation.



## 1. Effort Reduction (We Do the Heavy Lifting)

### FocusLift 360™

- **Search Led by 25-Year Recruiting Veteran** – Every search is conducted personally by a seasoned industry expert, not a junior associate.
- **White-Glove Service** – We handle 90% of the hiring process (sourcing, screening, interview scheduling, negotiations).
- **Pre-Vetted Candidate Profiles** – Every candidate is skill-validated and benchmarked before reaching you.
- **Social Media Recruiting Package** – We promote your opportunity and company story to maximize visibility and candidate engagement.
- **Video Interview Presentations** – Clients receive recorded video interviews of top candidates for easier evaluation if desired.
- **Rigorous Reference Checking** – Candidates are thoroughly reference-checked prior to presentation.
- **Hands-Free Onboarding Support** – We guide candidates through resignation, transition, and onboarding to reduce client workload.

## 2. Risk Reduction (Protecting Your Hiring Investment)

### TalentShield 360™

- **Unconditional Financial Guarantee** – 100-day NO Questions Asked to protect your hiring investment.
- **Culture & Retention Screening** – We pre-screen candidates for long-term cultural fit, not just technical skills.
- **AI-Powered Personality Assessments** – Advanced behavioral analysis to ensure strong team and culture fit.
- **Offer Negotiation Shield** – We manage offer stages to try and ensure acceptance without unnecessary friction.
- **Candidate Experience Guarantee** – Every candidate leaves the process with a positive impression of your company's brand.
- **Reverse Recruiting Services** – Clients are given exclusive first access to select top-tier candidates entering the market before anyone else knows.

## 3. Strategic Advantage (We Help You Win the Talent War)

### TalentCatalyst 360™

- **Long-Term Partnership Focus** – We're invested in your ongoing growth, not just a one-off placement.

- **Passive Candidate Recruit Focus** – Targeting the 75% of hidden talent not responding to job boards or other recruiters.
- **International Candidate Reach** – Access elite talent across North America and globally.
- **Compensation Benchmarking** – Market insights to ensure your offers are competitive.
- **Strategic Hiring Advisory** – Guidance on team structure, role design, and scaling strategy.
- **Practice Builder Expertise** – Placing leaders who can build and scale new service lines or practices.
- **Market Intel Reports** – Insights on where competitors are sourcing and retaining top talent.
- **Evangelist Approach** – We act as brand ambassadors, selling your story to elite talent.

## 4. Innovation & Scalability (Modern, Forward-Looking Solutions)

### TalentNavigator 360™

- **Specialized Expertise** – Focused exclusively on Microsoft Dynamics, NetSuite, CRM, Data Analytics, BI, and AI talent.
- **Recruitment Process Outsourcing (RPO)** – Scalable recruiting support to rapidly build or expand delivery teams.
- **Proactive Pipeline Building** – We curate a pipeline of talent even before openings arise.

# Part 5: Executive Leadership Replacement Strategies

## Option 1: CEO Transition & Replacement

### When to Replace:

- Founder unwilling to embrace PE operating model
- Lack of scalability mindset or growth orientation
- Client dependency concentrated in founder
- Resistance to financial controls and reporting
- Cultural misalignment with PE expectations

### Ideal CEO Profile for Partner Acquisitions:

- **Prior PE-backed professional services experience** (non-negotiable)
- **NetSuite or Dynamics partner background** (understands delivery model, client dynamics, consultant management)
- **Proven track record scaling \$10M-\$50M firms** to \$50M-\$150M+
- **Strong sales orientation** (growth-focused, not just operations)
- **Cultural fit for consultant-led organizations** (can lead technical talent, not just manage)
- **M&A integration experience** (bolt-on acquisitions, practice consolidation)

### Compensation Benchmark:

- **Base:** \$250K-\$400K (depending on firm size)
- **Bonus:** 40-60% of base (EBITDA and revenue targets)
- **Equity:** 5-15% (vesting over 3-4 years)
- **Total Cash Comp:** \$400K-\$650K+

**Timeline:** 60-90 days from search initiation to offer acceptance

## Option 2: CFO Upgrade for PE Reporting

### When to Upgrade:

- Current CFO lacks PE experience
- Unable to produce accurate utilization reporting
- Revenue recognition issues (especially project accounting)

- Weak financial controls and budgeting discipline
- No experience with quality of earnings or due diligence

### Ideal CFO Profile for Partner Firms:

- **PE-backed professional services CFO experience** (mandatory)
- **NetSuite or Dynamics GP/BC financial management** (understands ERP + services)
- **Utilization tracking and project accounting expertise**
- **Revenue recognition for professional services** (ASC 606 compliance)
- **Due diligence and add-on acquisition experience**
- **Financial systems implementation** (scaling infrastructure)

### Compensation Benchmark:

- **Base:** \$180K-\$280K
- **Bonus:** 25-40% of base
- **Equity:** 2-5%
- **Total Cash Comp:** \$225K-\$390K

**Timeline:** 45-75 days

## Option 3: Practice Leadership Development or Replacement

### The Practice Leader Challenge:

Most partner firms promote their best billable consultants to practice leadership roles without evaluating:

- **Management capability** (leading vs. doing)
- **Sales competency** (selling is different than delivering)
- **Strategic thinking** (growing the practice, not just executing projects)
- **People development** (mentoring, training, retention)

### Two-Path Strategy:

**Path A: Develop Existing Practice Leads** (If potential exists)

- Provide executive coaching and leadership training
- Pair with experienced PE-backed services leader (interim or advisor)
- Reduce billable expectations to allow management focus
- Set clear 90-day performance milestones
- Evaluate at Day 90: promote or replace

**Path B: Replace with Experienced Leaders** (If gaps too large)

- Recruit from larger NetSuite/Dynamics partners or Big 4
- Prior experience managing 15-30+ consultant teams
- Demonstrated P&L accountability
- Sales and client development track record

### Ideal Practice Leader Profile:

- **10+ years NetSuite or Dynamics consulting** (credibility with technical teams)
- **5+ years people management experience** (led teams of 15-30+)
- **Direct sales responsibility** (\$3M-\$8M annual quota)
- **Implementation methodology expertise** (quality, standardization, scalability)
- **PE-backed services experience preferred**

### Compensation Benchmark:

- **Base:** \$160K-\$220K
- **Bonus:** 30-50% of base (utilization, revenue, margin targets)
- **Equity:** 1-3%
- **Total Cash Comp:** \$210K-\$330K

**Timeline:** 45-60 days

## Option 4: Sales Leadership Transformation

### The Sales Leader Problem:

Partner firms often have weak or non-existent sales leadership:

- **Founder-led sales** (not scalable, not transferable)
- **Consultant-led sales** (delivery focus, not growth focus)
- **Transactional VP of Sales** (order-taker, not hunter)
- **No structured sales process** (CRM underutilized, pipeline unclear)

### Post-Acquisition Sales Priorities:

- **Secure existing pipeline** (prevent defections post-close)
- **Evaluate sales leader viability** (PE growth capability?)
- **Assess account executive retention risk** (compensation, non-competes)
- **Implement disciplined sales process** (CRM, pipeline management, forecasting)
- **Build predictable new business engine** (not dependent on founder)

### Ideal VP of Sales Profile for Partner Firms:

- **NetSuite or Dynamics partner sales leadership** (5+ years)
- **PE-backed professional services sales experience**
- **Proven new logo acquisition track record** (\$5M-\$15M annual sales)
- **Structured sales process implementation** (CRM, stages, metrics)
- **Team development and scaling** (hired, trained, led 5-10+ AEs)
- **Complex solution selling** (enterprise deals, \$200K-\$1M+ TCV)

### Compensation Benchmark:

- **Base:** \$150K-\$300K
- **Commission:** 50-100% of base (at plan)
- **Accelerators:** 1.5-2x for overperformance
- **Total On-Target Earnings (OTE):** \$300K-\$600K

**Timeline:** 45-75 days

## Part 6: RPO for Rapid Practice Team Expansion

### When to Use RPO for Partner Acquisitions:

- **Building new practice areas** (e.g., adding AI/Copilot practice to Dynamics partner)
- **Geographic expansion** (opening new markets, building regional teams)
- **Scaling existing practices** (NetSuite practice from 12 to 30 consultants over 18 months)
- **Post-acquisition talent backfill** (replacing departures, upgrading talent)
- **Portfolio-wide recruiting** (hiring across multiple partner firm acquisitions)

### Seven-Component RPO Model for Partner Firms:

#### 1. Dedicated Recruiting Team

Specialized in NetSuite/Dynamics consultant recruiting, embedded with your HR and practice leadership, understands technical skills, certifications, and implementation methodologies

#### 2. Consultant Sourcing & Engagement

Access to 87% passive candidate market (employed consultants not on job boards), relationships with Big 4, top-tier partners, and implementation specialists, pre-built pipelines BEFORE roles open (40-50% faster time-to-fill)

#### 3. Technical Screening & Validation

Hands-on technical assessments (not just resume claims), module-specific expertise validation, client-facing skills evaluation

#### **4. Cultural Fit for PE-Backed Environments**

Behavioral assessments for high-performance cultures, adaptability to change and growth expectations, alignment with operational discipline

#### **5. Interview Coordination & Offer Management**

Streamlined scheduling (minimize disruption to billable work), feedback synthesis and debrief facilitation, competitive offer structuring and negotiation

#### **6. Onboarding & Retention Support**

Resignation and counteroffer mitigation, notice period engagement (maintain commitment), 30/60/90-day check-ins (reduce early turnover)

#### **7. Vested Partnership Pricing**

30-40% cost savings vs. traditional per-placement fees, predictable monthly budget, transparent cost-per-hire metrics, scalable model (1 role or 50 roles over 18 months)

## Case Study: Scaling a NetSuite Partner Post-Acquisition

**Client:** Mid-market PE firm, acquired 35-person NetSuite implementation partner for \$18M

### Challenge:

- Needed to scale from 35 to 65 consultants over 18 months (growth plan)
- 8 consultants departed in first 90 days post-close (23% attrition)
- Weak internal recruiting (HR generalist, no ERP recruiting experience)
- Competitive market (NetSuite talent wars)
- Traditional per-placement fees would cost \$750K+ (30 hires @ \$25K avg fee)

### Solution:

- 18-month RPO engagement
- 2-person dedicated recruiting team (1 senior, 1 sourcer)
- Targeted passive consultant pipeline development
- Standardized role profiles (Functional Consultant, Developer, Solution Architect)
- Monthly retainer with vested partnership model

### Results:

- **28 consultant hires** across 18 months (mix of Functional, Technical, Architects)
- **Average 38 days to hire** (vs. 75+ days previously)
- **92% retention at 12 months** (industry average: 78%)
- **Total investment: \$465K** (38% savings vs. traditional fees)
- **Achieved 62 consultants** by Month 18 (97% of growth target)
- Operating partner praised quality, speed, and partnership approach
- **Renewed for Year 2** with 15-20 additional hires planned



# Part 8: Compensation Benchmarking for Partner Firms

## Executive Leadership Roles

Role	Base Salary	Bonus Target	Equity	Total Cash Comp
CEO	\$250K-\$400K	40-60%	5-15%	\$400K-\$650K
CFO	\$180K-\$280K	25-40%	2-5%	\$225K-\$390K
COO	\$170K-\$260K	25-40%	2-5%	\$210K-\$365K
VP of Sales	\$150K-\$300K	50-100%	1-3%	\$300K-\$600K (OTE)

## Practice Leadership Roles

Role	Base Salary	Bonus Target	Equity	Total Cash Comp
NetSuite Practice Director	\$165K-\$250K	30-50%	1-3%	\$215K-\$375K
Dynamics Practice Director	\$165K-\$250K	30-50%	1-3%	\$215K-\$375K
Technical Practice Lead	\$160K-\$210K	25-40%	1-2%	\$200K-\$295K
Industry Vertical Lead	\$170K-\$230K	30-50%	1-2%	\$220K-\$345K

## Consultant Roles (For Reference)

Role	FTE Salary	Contract Rate
NetSuite Solution Architect	\$145K-\$195K	\$150-\$185/hr
NetSuite Functional Consultant	\$110K-\$165K	\$110-\$140/hr
NetSuite Developer	\$120K-\$165K	\$125-\$160/hr
D365 Solution Architect	\$140K-\$190K	\$145-\$180/hr
D365 Functional Consultant	\$110K-\$165K	\$105-\$135/hr
D365 Technical Consultant	\$115K-\$155K	\$120-\$150/hr

### Notes:

- Adjust +15-25% for high-cost markets (NYC, SF, Seattle, Boston)
- Adjust +10-20% for urgent/critical fills
- Equity percentages assume \$15M-\$40M enterprise value at grant

# Part 9: Next Steps for PE/VC Firms

## Four Ways to Engage DynamicsFocus:

Engagement Type	Best Use Case
Executive Search (Retained)	CEO, CFO, COO, VP Sales replacements—confidential, mission-critical
Engaged Recruiting	Practice leaders, senior consultants—fast fill, minimal upfront cost
RPO Services	Scaling practices, building new teams—30-40% cost savings, dedicated resources
Contract Resources	Interim leadership, surge capacity—immediate deployment

## Start With a Complimentary Partner Firm Leadership Audit

### What You'll Receive (72-Hour Turnaround):

#### 1. C-Suite Capability Assessment

CEO PE-readiness evaluation, CFO financial controls and reporting capability, Sales leadership viability analysis

#### 2. Practice Leadership Gap Analysis

NetSuite/Dynamics practice leader effectiveness, management vs. delivery capability, sales and business development competency

#### 3. Consultant Bench Strength Review

Flight risk identification (especially post-close), skill gap analysis and training needs, compensation competitiveness assessment

#### 4. 90-Day Talent Roadmap

Priority 1 leadership replacements (timeline and approach), practice team development or upgrade plan, sales team retention and recruitment strategy

**Delivered as:** Confidential executive summary with actionable recommendations

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