



# Receivable Management Services Corporation



## Company Profile

**HEADQUARTERS:**

Bethlehem, PA

**INDUSTRY:**

Business Services

**TRANSACTION TYPE:**

Corporate Divestiture

**INVESTMENT DATE:**

August 2001

**EXIT DATE:**

September 2005

**FUND:**

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*This portfolio company case study offers summary information, is provided as an example that clarifies and typifies Incline's investment approach, and may not be representative of Incline's investments. Past results are no guarantee of future results and no representation is made that an investor or portfolio company will or is likely to achieve results that are similar to those of the company described. This investment was not chosen for its returns on investment.*

## Overview

Receivable Management Services Corporation is a leading global supplier of Business Process Outsourcing and Recovery Services headquartered in Bethlehem, PA. RMS has a track record of accelerating DSO and injecting critical capital into business operations. They provide best-in-class outsourced solutions that improve DSO and accelerate cash flow for dozens of the world's leading companies, including many Fortune 500s.

## Transaction Dynamics

A partnership with management to acquire a corporate divestiture from Dun & Bradstreet.

## Investment Thesis

- ▶ Established market leader in commercial collections with positive demand drivers
- ▶ Entrenched relationships with diverse "blue-chip" customer base
- ▶ Strong historical operating performance
- ▶ Experienced management team
- ▶ Significant barriers to entry
- ▶ Significant growth opportunities

## Incline Value Enhancement

- ▶ Completed two acquisitions in Mexico & Hong Kong
- ▶ Extracted business out of large corporate entity to a stand-alone entity (e.g., new accounting platform and data center)
- ▶ Transitioned business model from contingent collection to A/R outsourcing model which escalated customer switching costs
- ▶ Migrated technology function to India
- ▶ Top graded talent in business by recruiting senior leader from D&B as value-added board member and finance/IT professionals
- ▶ Sold to financial buyer in 2005