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### **CFO** OF THE YEAR

## Front-Row Seat at Quality, OC Honors

**HEALTHCARE:** Holt has six deals under belt, "Opus Format"

#### ■ By VITA REED

Paul Holt has had a prime spot in Irvinebased **Quality Systems Inc.**'s emergence as a Wall Street darling over the past decade or so.

"The CFO has got a front-row seat to what goes on amongst all the groups—the board of directors, shareholders and internal people," said Holt, a 12-year veteran of the medical-software company.

Quality's market value has grown from about \$100 million to about \$2.3 billion during Holt's tenure. It now has annual revenue of more than \$350 million, thanks in part to six deals of varying sizes over the past three years valued at more than \$70 million.

Holt played a key role in the deals, helping to negotiate purchase prices, getting board approval, conducting due diligence and working on integrating the acquisitions.

#### Honored

He was honored in the Public Company category of the CFO of the Year Awards presented by the Business Journal and the Orange County/Long Beach chapter of the California Society of Certified Public Accountants on Jan. 17.

Quality makes software that doctors and dentists use to manage their practices, along with software for some hospitals. It's grown as healthcare has moved to become "paperless" in a bid to streamline and improve services, something that's been goosed by economic stimulus packages and healthcare reform.

"In a direct, tactical way, I've developed a really good relationship with the guy who runs our sales team and the sales



Holt: "You really are as good as the people you've got"

force," Holt said.

That can come into play when Quality's sales force works on larger deals.

"Not all the time, but quite often, they will turn to me to help negotiate contract language," he said. "Many times, I'm on the phone with prospects."

Holt and his team have even created something of a template about how Quality approaches its acquisitions, such as that of **Opus Healthcare Solutions Inc.** in 2010.

"The board really liked the format of what we did when we bought Opus," he recalled. "We have this thing called the 'Opus Format,' this methodology of how we prepare a (deal) memo that covers all the things they want, the board members like to see."

Opus provides electronic medical records to hospitals.

Holt arrived at Quality as the company's controller.

He was thrown into a bigger role after its then-chief financial officer resigned about three months later.

"He also left right before the audit, but this was in the pre-Sarbanes-Oxley world—we were a very small company," he said with a chuckle. "Man, I had to swim real hard. I had to figure things out real fast."

Holt said his roles changed and evolved, particularly as Quality has brought inhouse human resources and a general counsel aboard in recent years.

That has made it ever more important for the CFO to have the "absolute trust of all parties" and remain above any frays that could develop in the company.

"If there are politics going on, you as CFO need to stay out of it," he said. "You've got to float above. You're kind of keeping things together because you're providing that communication and facilitating information across all these different parties."

Holt said day-to-day work can get busy even when deals aren't involved because Quality often pulls in a good portion of its revenue during the last two weeks of a particular quarter.

"It gets crazy—many times, we're here literally until the midnight hour, pushing all the business we can get," he said. "[Chief Executive] Steve [Plochocki] calls it the 'war room.'"

Holt also credits his financial team for backing him up, including with day-today responsibilities.

"No CFO can really function without a good controller and people behind him," he said. "You really are as good as the people you've got."

#### Challenges

Quality faces plenty of current challenges, including integrating acquisitions into the culture, according to Holt.

He said it's important for him to get his "face out there" in order to help others mesh into Quality's culture.

Holt, a married father of four, holds a bachelor's degree in economics from the University of California, Irvine, and master's of business administration from the University of Southern California.

Before coming to Quality, Holt served in controller and assistant controller positions at Irwindale-based Sierra Alloys Co. and Refrigeration Supplies Distributor. He was also a certified public accountant at McGladrey & Pullen LLP.