IC Investment Summary

Business Description

Booming Bookkeeping Business LLC provides digital bookkeeping business training through a comprehensive mentorship program, teaching aspiring entrepreneurs to launch and scale bookkeeping services. The company offers a one-time purchase mentorship program with lifetime access, featuring 350+ lessons across 12 modules, and recently launched a beta subscription service at \$199/month. Founded in 2019, the company has served over 23,000 learners and operates with a highly scalable, asset-light digital delivery model.

Transaction Background

Navagant has been engaged as the exclusive financial advisor to facilitate the sale process. The seller (ownership not disclosed in CIM) is seeking partners to accelerate growth and unlock new initiatives to further scale the business. The company anticipates seeking initial non-binding Indications of Interest in the coming weeks, with exact timing and format to follow via separate correspondence.

Financial Profile

- Revenue (LTM): \$32.7m
- Gross Profit: \$15.6m (47.6%)
- Adj. EBITDA: \$13.5m (41.3%)
- Key operating metrics: 23,193 unique learners served, 186k 5-Day Challenge participants since inception, 8% challenge-to-mentorship conversion rate, \$3.3k customer LTV, 2.3x LTV/CAC ratio

Process Status

Company is preparing to seek initial non-binding Indications of Interest. No specific IOI deadline disclosed. No stated valuation expectations provided in the CIM.

Market Dynamics

- Market size: Global gig economy valued at \$556.7B in 2024, projected to reach \$2.1T by 2033
- Growth rate: 16.2% CAGR for global gig economy (2024-2033)
- Key trends: 36% of US workers participate in gig work, expected to reach 50% by 2027; shift toward skilled gig work with 50% in specialized fields; increasing demand for digital skills training
- Regulatory environment: Governments recognizing need to regulate gig economy; evolving policies to accommodate non-traditional employment models

Competitive Landscape

- Market position: Claims to be premier provider of digital bookkeeping business training
- Key competitors: Other bookkeeping training providers (Bookkeepers.com), general upskilling platforms (Coursera, Udemy), and accounting software training (Intuit QuickBooks ProAdvisor)
- Differentiation factors: All-in-one business training model combining bookkeeping skills with entrepreneurship; comprehensive mentorship approach; focus on business building beyond technical skills

Customer Base

- Customer concentration: No specific top customer concentration disclosed
- Customer types/segments: 85% with no prior bookkeeping knowledge; primarily aged 35+; 60% female/40% male; diverse backgrounds seeking entrepreneurship
- Geographic distribution: 90% US-based revenue, 10% uncategorized; customers across all 50 states with

highest concentration in California, Texas, and Florida

- Contract terms: One-time purchase with lifetime access (\$4,997); new beta subscription model (\$199/month with \$2,500 reactivation fee)

Supplier/Vendor Profile

- Key suppliers: Technology platforms including Kajabi (LMS hosting), Stripe/PayPal (payment processing), Vimeo (video hosting), ActiveCampaign (email marketing)
- Supply chain characteristics: Digital delivery model with minimal physical supply chain requirements
- Input cost factors: Advertising spend (\$16.0m in 2024), minimal content development costs (\$22k total to date), technology subscriptions

Management Team

- Leadership tenure and background: Bill Von Fumetti (Founder/CEO) CPA, started company in 2019, owns separate bookkeeping practice; Anna Samuelson (Director of Operations since 2022); Carrie Pinnow (Director of Student Success since 2022, 12 years bookkeeping experience)
- Organizational structure: 9 full-time employees, 7 full-time contractors, 1 part-time contractor

Historical Performance

- Revenue trend: Grew from \$4.8m (2023) to \$32.7m (2024), representing 577% growth; projected to reach \$125.1m by 2030
- Profitability trend: Adj. EBITDA margins improved from 39.3% (2023) to 41.3% (2024); gross margins declined from 61.6% to 47.6% due to increased ad spend
- Cash flow characteristics: Generated \$13.1m free cash flow in 2024; minimal working capital requirements due to upfront customer payments
- Debt profile: No debt disclosed; clean balance sheet with \$3.7m cash (Dec 2024)

Financial Characteristics

- Revenue drivers: Marketing-driven customer acquisition through 5-Day Challenges; pricing increases (from \$1,997 to \$4,997); new subscription offering
- Cost structure: Variable cost structure dominated by advertising (93% of COGS); low fixed costs with 6.3% OPEX margin
- Capital requirements: Minimal capex needs (\$4k fixed assets); growth investment primarily in advertising spend

Critical Validation Areas

- 1. Revenue recognition methodology requiring detailed review of 9-month recognition pattern and deferred revenue calculations
- 2. Marketing efficiency sustainability with CAC trends, ROAS deterioration risk, and scalability of 5-Day Challenge model at higher volumes
- 3. Subscription model impact assessment including cannibalization analysis and true retention rates beyond initial 87% monthly figure

Operational Due Diligence Focus

- 5-Day Challenge conversion funnel detailed metrics and quality of leads
- Content relevance and update requirements given static nature of bookkeeping fundamentals
- Student success metrics validation including claimed \$100k+ revenue achievements
- Technology platform dependencies and data portability

Financial Due Diligence Focus

- Cash to accrual revenue adjustments and deferred revenue waterfall

- True unit economics including all customer acquisition costs
- Quality of earnings adjustments particularly excess owner compensation normalization
- Seasonality patterns and monthly cohort performance

Commercial Due Diligence Focus

- Competitive positioning versus free/low-cost alternatives (QuickBooks ProAdvisor training)
- Market sizing for bookkeeping business training specifically
- Student outcome verification and post-course business success rates
- Brand reputation assessment given negative online reviews noted

Risk Areas Requiring Assessment

- Dependence on paid advertising channels and rising customer acquisition costs
- Regulatory risk if gig economy regulations change
- Technology platform concentration risk (Kajabi hosting)
- Key person dependency on founder Bill Von Fumetti
- Reputational risks from unverified scam allegations and BBB complaints