

Medium Private Company CFO of the Year

Mike Love, Climax Portable Machining & Welding Systems



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Under Mike Love's financial leadership, the company that "never stays stationary" planted its flag across the globe in 2015.

Climax Portable Machining & Welding Systems is a small-town manufacturer with a Fortune 500 footprint. Despite a significant lull in some key markets – including oil and gas, mining and shipping – the privately held, Newberg-based firm has gone all in on a stem-to-stern makeover that illustrates how a CFO can serve as a creative nexus of corporate rebirth.

"Mike Love has partnered with the new CEO and senior management team to execute significant change within the company in order to position Climax clearly as the leader in its market space and for significant profitable growth," said Winston Asai, CFO of Columbia Machine Inc. in Vancouver, Washington.

Climax currently has 169 employees who produce, sell and rent portable tools that are used around the world in highly precise, mission-critical repair situations in nuclear, gas and coal-fired power plants, among many other applications. Love, the Business Journal's Medium Company CFO of the Year, joined Climax in 2010 and also serves as vice president, secretary and treasurer for the firm.

In his first year of financial leadership, revenue grew 19 percent while profits grew more than 140 percent and debt was

slashed by 25 percent. In his first three years on the job, Love also restructured staff, improved internal controls, helped lead the company through a private equity group ownership change, acquired two companies, negotiated lower loan rates, and reorganized Climax's complex capital structure from multiple share classes with different payout preferences to one share class with one payout preference.

Despite hampered sales and unpredictable markets in Russia and China, Climax didn't stopped reaching for the stars in 2015.

"We're reinventing ourselves as a company. This is our 50th year, and you can't be the same company forever. We're No. 1. We've got great products, but there are too many stories about people who got complacent with their success. This is by far the busiest and most aggressive year since I've been here. We're taking a hard look at everything we do," Love said.

Already well established in the United Kingdom and Germany, Climax launched operations in Norway, Dubai and Singapore in 2015. The move puts Climax closer to its customers, but also adds new layers of fiscal complexity to a company that already files sales tax reports in every U.S. state.

But Love isn't one to shy away from complexity. In 2015 he helped lead the firm's major acquisition of Ohio-based H&S Tool and again restructured his accounting team, reducing cost and waste by simplifying work streams, increasing automation and empowering employees to take greater ownership of critical

activities. As a result, there was not a single control finding in the firm's annual audit.

Love's team also established new banking relationships in four countries and successfully navigated the many intricacies required to change its U.S. banking partners.

Office technology also was upgraded. Climax developed a modeling tool to more accurately forecast business structures, opportunities and risk. They also implemented a new automated expense reimbursement system to excellent user reviews, added a network-attached storage capability that improved response time and reduced down time, deployed a new cloud-based network security program, and rolled out a more robust remote access system.

Climax doesn't divulge its revenues or operating margin, but Love describes Climax's financial performance as "solid" in 2015.

Love is noted for surrounding himself with a talented finance, accounting and IT team, and his smooth handling of Climax's challenging global expansion and ownership change, said Asai, who got to know Love through membership in Financial Executives International.

"I have great respect for Mike, both as a CFO and as just a high-quality individual," he said.

Love has an aggressive goal – to double sales over the next few years.

"We're in a good position to seize opportunity when the end markets improve," Love said.

What does your company do? Climax designs and manufactures portable machining, welding and testing systems.

Besides numbers, what's the most important skill you bring to the table? Interpersonal skills

What's the No. 1 challenge you face? Balancing a very demanding time in my professional career with the demands of an active family with two young children.

If someone were marketing you, what adjectives would they use? Driven, results-oriented, hardworking, operationally oriented, personable, humble, self-deprecating, fun-loving

Two biggest accomplishments?
1. Driving the significant profitability that allowed Climax's prior private equity (PE) owners to successfully sell the company to another PE firm in 2013.
2. Becoming a CFO

What is the greatest risk you ever took? Moving to Europe at age 18. That really set the tone for my willingness to step out of my comfort zone and take many more risks over time.

How do you keep up on industry news? Through continual contact with our domestic and international sales directors, our external training group, and general news sources.

What's your favorite Portland restaurant? Thirsty Lion ... at this moment.

What do you splurge on? My children

Last movie you saw? "Star Wars: The Force Awakens"