

equipment rental retailer case study

Services Industry Turnaround Case File

Name	Confidential
Ownership	Private Equity
Business	Technology and Equipment Retail
Turnover	\$73m (pre-Promentor)
EBITDA	Break even
Background	<ul style="list-style-type: none">Acquired 10 companies, 200 staff prior to stabilising core businessAttempted 2 restructures to eliminate duplication and excess management
Situation	<ul style="list-style-type: none">None of the companies integratedDuplication of function persistsStructural inefficienciesNot meeting sales targetsCosts not supportable by salesLosing moneyAcquisitions did not lift sales

Turnaround Approach

Establish problems and issues facing the business.

Confirm causes of underperformance, via detailed analysis.

NON FINANCIAL FOCUS – Operational processes, core business structure, duplication of function and sales organisation etc. **TREATS THE CAUSES.**

Set management new targets to eliminate identified underperformance. Also set responsibilities and deliverables for each group and identify short term wins (gives staff and banks confidence – Promentor is not just another consultant).

Recommend how to achieve the targets, including restructuring, identifying team members to work with, empowering these people and setting management responsibility areas and performance accountability steps.

Provide a detailed 90 day implementation plan to deliver recommendations and assist management to implement this plan.

The Turnaround

The project was a success and Promentor achieved all objectives:

- \$4.2m in cost savings
- Targeted 10% EBITDA on sales
- ACME returned to “Good Bank”

