

# food wholesaler case study

## Wholesale Industry Turnaround Case File

<b>Name</b>	Confidential
<b>Ownership</b>	Private Company
<b>Business</b>	Produce, Dry Goods and Seafood Wholesale
<b>EBITDA</b>	Loss making business (pre Promentor)
<b>Background</b>	<ul style="list-style-type: none"><li>• Owns multiple wholesale businesses</li><li>• Each operate independently</li><li>• 15% customers = 75% revenue</li><li>• Too many companies purchased too quickly (not integrated)</li></ul>
<b>Situation</b>	<ul style="list-style-type: none"><li>• Silo structure</li><li>• Disparate finance and IT platforms</li><li>• Insufficient funds</li><li>• Lack of financial discipline</li><li>• Poor debtor management</li><li>• Poor stock management, visibility</li><li>• Stock levels rising (supply chain poor)</li><li>• Creditor terms slipping out</li><li>• Sales not being entered promptly</li><li>• Little cross selling</li></ul>

## 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. **REMOVES PROBLEMS.**

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:

- Restructured operations
- Lifted EBITDA from break even to over 10% of sales!
- \$2.5m in annual cost savings from integration alone

