

fruit grower case study

Agricultural Industry Turnaround Case File

Name	Confidential
Ownership	Private Company
Business	Growing and Wholesaling of Fruit
Turnover	\$18m (pre Promentor)
EBITDA	0.5% of Sales (pre Promentor)
Background	<ul style="list-style-type: none">• Family business exceeding 30 years• > 300 hectares of orchards• Many varieties of fruit
Situation	<ul style="list-style-type: none">• Seeking to reduce costs• Australia small, not competitive• Smaller growers folding• Need to be larger to supply retailers• Require equity partner to expand• No incentive scheme exists• Climate change risks• Increasing import competition

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 revenue by 30% and reduced OPEX
- Lifted EBITDA to over 10% of sales

