

system provider case study

Telecommunications Industry Turnaround Case File

Name	Confidential
Ownership	Public Company
Business	System and Technology Provider
Turnover	\$1.09b (pre Promentor)
EBITDA	Break even (pre Promentor)
Background	<ul style="list-style-type: none">Started as key system provider, then added IT products (PCs, printers etc), carriage (reseller) and managed services without proper integrationUnsuccessful attempts to issue rights, subordinate debt and sell receivablesUnwilling to sell non-core business
Situation	<ul style="list-style-type: none">Resource requirements explodedIn breach of banking covenantsNeed to reduce \$100m debt ASAPTrying to sell ACME, to raise \$\$Some interest from competitors, PENo interest from equipment providers or Network OperatorsFace identity crisis

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:

- Targeted 5% EBITDA on sales
- ACME saleable value enhanced dramatically

