

Case Study

RESTRUCTURING ALTERNATIVES - DISTRESSED SALES AND SERVICE TRAINING

SECTOR: BUSINESS SERVICES

Restructuring Alternatives

Cash & Liquidity Forecasting

Team Size: 1 Managing Director, 1 Director, 1 Vice President

Project Duration: 4 months

The Requirement – Evaluation of Restructuring Alternatives While in Distress

A sales and services training company with \$250 million in revenue experienced a severe liquidity crisis and was facing a potential shutdown after having performed five bolt-on acquisitions and not realizing the full synergy benefits. The company, owned by a prominent PE sponsor, was in default with its lenders and delinquent in its sponsor reporting. Internal liquidity forecasts proved unreliable given limited resources and turnover in the treasury department.

The Execution – Quickly Assess, Optimize, and Present Reporting

- Upon being engaged Accordion had a 3-person team at the Company to meet with the CFO, and coordinated with the lender committee to align on reporting requirements.
 - Immediately analyzed key cash outlays, identified multiple liquidity enhancements in working capital and payroll, buying much-needed runway for decision making
 - Worked with department heads across multiple business segments, both domestic and internationally, to develop standardized reporting metrics for cash and liquidity forecasting.
 - Coordinated with various internal teams to pressure-test and finalize next fiscal year budgets.
 - Re-engineered internal cash and liquidity forecast model with improved forecast methodologies and dynamic update capabilities for AR/AP activities.
 - Implemented new cash and liquidity reporting framework for management and lender committee.
 - Developed weekly cash and liquidity package and led weekly update meetings with the lender committee.
- Accordion provided guidance to the CFO throughout negotiation of the credit agreement, analyzing the impact on the cash forecast given the various scenarios.
- As the re-engineered cash and liquidity forecast model was implemented Accordion was able to reduce the project staffing levels to meet the client’s needs.
- Accordion provided guidance to the CFO in the search for a new head of treasury and managed the training of the new hire.

The Resolution – A Robust Cash Forecast Model With As Needed Support

- Accordion was the necessary on-the-ground resource for the management team undergoing its first restructuring. Our team had the necessary restructuring and operating experience to support the company’s and lender’s need for meaningful reporting and analysis that helped monitor and drive decision making.
- The fluid nature of the company’s situation, with both immediate and long-term implications, led to an ever-changing resource requirement; Accordion delivered a flexible resource deployment to meet the clients needs.
- As a new credit agreement was signed, and long-term staffing needs were filled, Accordion ensured the seamless transition of its contributions to company employees.

