

*acceleris*

case

studies





## Re-plumbing The business

This £12m plumbing business suffered some major setbacks when the owner retired, forcing him to return to the helm – with the help of Accelerus.

## BACKGROUND

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- Post retirement of owner the business declined
- Inexperienced FD leveraged assets to support cash without identifying or addressing the underlying issues
- Profit and cash declined - owner returned within 12 months
- Business had breached its lending covenants
- Accelerus were engaged in July 2019

## ACTIONS

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- Undertook a cash & P&L deep dive to create credible forecasts and key actions
- Implemented STCF structure and disciplines
- Reviewed and enhanced MA reporting processes
- Introduced weekly leadership KPI review to assess performance and update key actions
- Updated the 12 month MI projections to determine funding needs as a basis for review with the Bank

## RESULTS

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- OD reduced by £200k within agreed level
- A term loan of £250k was re-paid
- The ID facility moved from 'hard core debt'
- Internal actions drove a 3.5% increase in GP
- FD departed, interim introduced and bridged the time until substantive FC was recruited in May 2020
- Pre-Covid-19 the business had a 12 month plan to repay OD and return to mainstream Banking
- Through Covid-19 the business re-assessed the position and obtained a £500k CBILS loan and used the Governments Furlough scheme to be ready for post Covid pick up



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College learns

lesson in survival

Specialist college suffering from declining student numbers needed help in bringing it back to life.

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## BACKGROUND

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- College in operation for >150 years
- Student numbers and fundraising drop post 2008 – restructuring process positive but ongoing Governance weak
- Whilst new chair implemented further changes austerity measures bit harder
- Covenant breach led to referral to business support
- Lender input led to Accelerus appointment in July 2018

## ACTIONS

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- Full business and options review = Recovery Plan
- Organise restructure to remove £1m annualised costs
- Property sales to;
  - Reduce Bank debt
  - Reduce pension deficit
  - Fund restructure &
  - Provide ongoing WC to the College
- Strategic actions to achieve sustainable student numbers
- Further improvements to Governance

## RESULTS

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- Operational cash stability in Year 1
- Year 2;
  - Business profitable
  - Student numbers on track
  - Fundraising ahead of plan
  - Return to mainstream banking
- Year 3 = Covid impact stalled matters – however, full recovery on track for 2021/22



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Care home

expansion woes

The addition of a second home supported by the bank fell behind schedule and caused financial difficulties. The bank recommended Accelerus.

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## BACKGROUND

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- Purchase of second Care Home in 2017 within 10 miles
- Bank and Regional Development Fund supported purchase
- Re-furbishment stretched core finance disciplines and funds
- Operational disciplines slipped leading to occupancy decline
- Lender input led to Accelerus appointment in mid 2019

## ACTIONS

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- Introduced 13 week by week STCF to drive cash controls
- Oversaw historic MA catch up and routine completion process
- Implemented weekly & monthly cash & MA reviews to drive key actions
- Mentored the owner, key staff and external accountant to “own” the numbers and process disciplines
- Built 2 year Business Plan with the owner to drive operational activities and stakeholder reviews

## RESULTS

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- Bank support and 6 month OD extension
- Regional Development Fund support
- Cash headroom created whilst operational actions recovered occupancy
- Profitability recovered leading to;
  - Repayment of OD extension within 6 months
  - Return to mainstream Banking within 12 months &
  - Core OD removal within 18 months





Poor performance

at care home

New owner of £6m care home group calls in Accelerus to restructure business following poor performance.

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## BACKGROUND

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- Ex Finance Manger acquires business in early 2018
- Purchase supported by £8m loan secured against properties
- Within 6 months occupancy levels from NHS fluctuated
- Operational & financial rigour challenged and covenants breached – move to bank restructuring team
- Accelerus introduced in July 2019 to work with the owner

## ACTIONS

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- Full P&L, Cash & BS analysis
- Business Model created to assess various options
- STCF introduced to drive cash controls and actions
- Dialogue with commissioners about fee levels and occupancy commitments – some increases agreed
- Options Review with Bank in early 2020
- NHS Covid requirements focused client on supporting local community through the pandemic, enhancing cash and profit short-term

## RESULTS

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- Cash stability – no new cash required
- NHS fee increases improved cash & P&L
- Profitable future Business Plan in place
- Bank debt serviceability returning
- Post Covid-19 Review to agree future actions – Autumn 2020



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A red-tinted photograph of a factory conveyor belt with glass bottles. The bottles are arranged in a line, moving from the foreground towards the background. The lighting is dramatic, with strong highlights and deep shadows, creating a sense of depth and movement. The overall color scheme is monochromatic red.

failing in China

forces restructure

A failed venture in China left this manufacturing company struggling to repay debts and lacking the skills and cash to restructure. The intervention of Accelerus saw debts repaid and a buyer found for the business.

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## BACKGROUND

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- Privately-owned food labelling machine manufacturer turning over £10m, 70% owned by US investor
- Expanded into China on strength of a sales deal which fell through
- Company forced to retrench to UK but lacked skills to restructure and ran out of cash
- Bank nervous about £1m unsecured loan so pushed for external help
- Two failed turnarounds later, Accelerus was called in

## ACTIONS

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- Full financial and operational audit revealed need for more than £400k in working capital
- Deals struck with creditors and HMRC
- Financial support given to internal team to bolster cash management and management accounting
- Mentoring for MD to handle deteriorating relations with US shareholder
- Further drop in sales required accelerated refinancing plan
- Private buyer found in US

## RESULTS

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- Bank debt settled
- Shareholders received some equity
- Loan notes were re-paid
- Accelerus retained to implement the post acquisition integration



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a fisherman's

tale

When Accelerus arrived at this long-established family fishing business, it was sinking fast.

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## **BACKGROUND**

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- Loss making 3rd generation family business
- Poorly maintained fleet
- Low operational efficiency
- De-motivated staff
- Shareholder conflict
- Imminent danger of collapse

## **ACTIONS**

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- Appointed new management team
- Implemented engineering efficiency improvement programme
- Created and implemented growth plan
- Mentored interim MD

## **RESULTS**

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- First profitable year since incorporation
- Brought stability to dysfunctional family shareholder relationships
- Sourced additional capital to refinance the business
- Retained as board adviser post new MD appointment
- A platform to grow the business and bring in a substantive MD was created





jellyfish

funds landed

Brilliant ideas often fail to see the light of day due to lack of funding. Accelerus was determined this would not be the case for this business, set up to extract collagen from jellyfish.

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## **BACKGROUND**

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- Requirement for a minimum £500k of new investment for the business
- No firm plans for jellyfish harvesting

## **ACTIONS**

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- Supported CEO in developing fund raising strategy
- Implemented programme management system
- Provided introduction and guidance for liaison with Cornish fishing authorities
- Brokered agreement for jellyfish harvesting contract

## **RESULTS**

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- Sustainable supply of sufficient jellyfish to support growth plans
- £1.5m of new funding was obtained via the process adopted
- Growth plans on track



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grounds

for improvement

Trading losses and increased borrowing was putting immense pressure on this landscaping business and creating tension amongst shareholders.

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## BACKGROUND

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- Second generation family-owned grounds construction business
- £8m revenue, loss-making business
- £0.9m overdraft, increased to £1.2m due to trading losses
- Lack of management business skills
- Highly competitive seasonal business, heavily influenced by weather and trading conditions
- Shareholder disharmony and lack of trust

## ACTIONS

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- Completed business review with recommendations for immediate operational improvement
- Reduced projected bank borrowing from £2.8m to £1.2m
- United embattled shareholders in a plan to liquidise assets and maximise ROI
- Brokered an agreement between bank and shareholders to clear overdraft and repay creditors

## RESULTS

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- Five year £2m bank loan backed by £2.5m security
- Bank overdraft fully repaid
- Creditors paid-off in full
- Smaller, de-risked business put in place for future development



retuning

av company

This in car entertainment business found itself the victim of poor management and record keeping resulting in a £7m stock mountain.

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## BACKGROUND

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- Automotive multimedia systems business with major issues
- 80% of contracts on sale or return
- Inadequate management accounts
- Poor supply chain management
- Dysfunctional management team
- Insufficient financial controls in place

## ACTIONS

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- £7m stock dispersal plan
- Re-negotiated client & vendor terms
- Raised £3m
- Replaced management team
- Reduced workforce by 80%
- Re-profiled market strategy

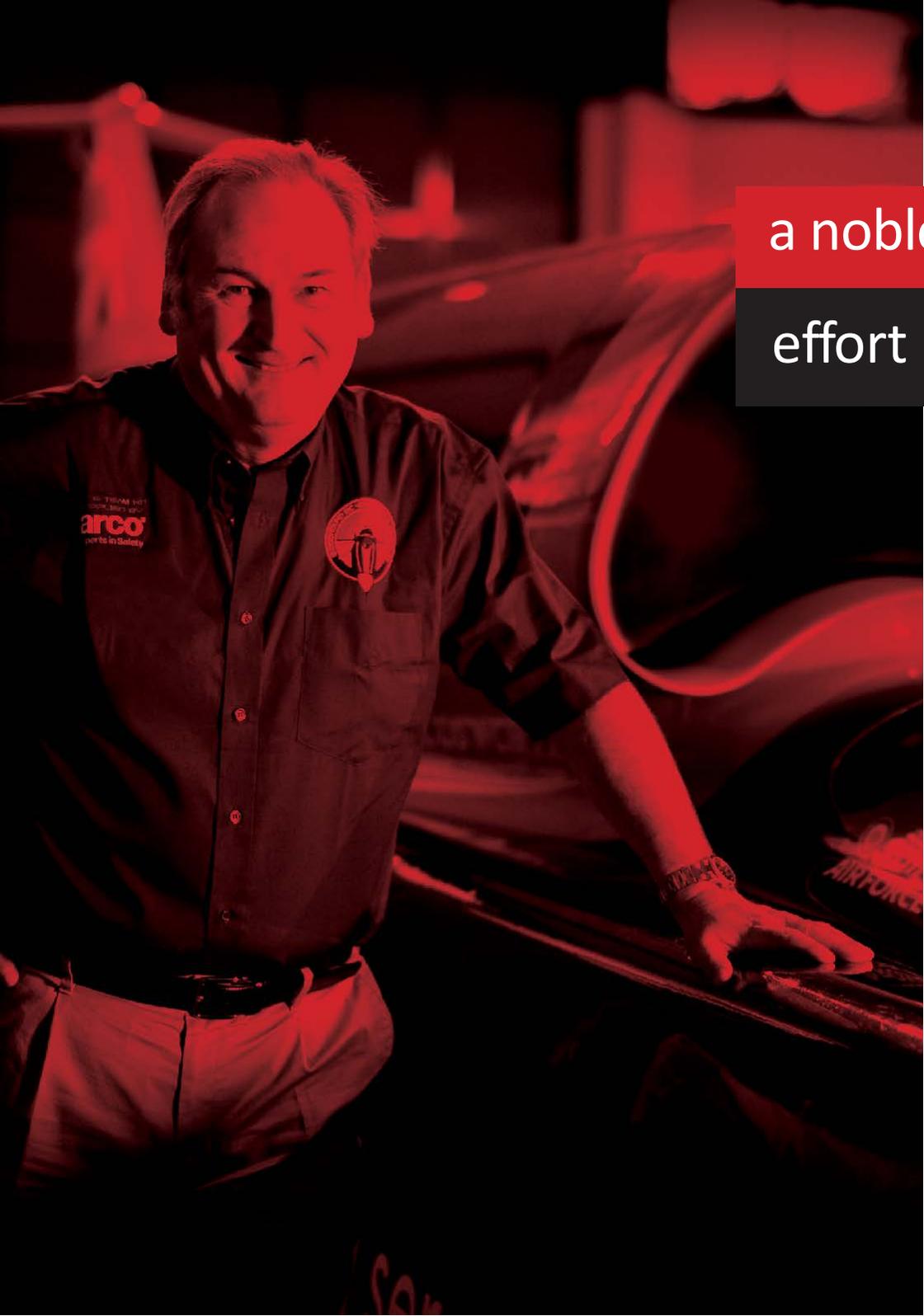
## RESULTS

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- Revenue and profits up
- Zero debt
- Global patented technology platform achieved giving the potential for £30m of new business
- Automotive tier 1 capability
- Zero stock exposure



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a noble

effort

When Richard Noble's dream of breaking the 1,000 mph speed barrier ran out financial fuel, Accelerus stepped in to source fresh funds.

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## BACKGROUND

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- Richard Noble's latest land speed record attempt – 800 mph followed by 1,000 mph
- £22m spent to date – out of funds at the end of 2015
- Application to HMG for £3.5m loan

## ACTIONS

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- Accelerus requested to provide project feasibility report for BIS
- Produced report in 7 working days

## RESULTS

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- Loan granted by HM Treasury
- Project back on track with 1st record attempt planned for 2017



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spring

into action

A cash crisis in this automotive supply chain business led to major losses and management disquiet. Accelerus stepped in to stabilise the business and improve its future prospects.

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## BACKGROUND

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- £10m turnover, automotive suspension joints designer and manufacturer
- MBO from larger Group in 2008
- Re-location to greenfield, state of the art site in 2013 (Employee pension fund owned)
- Poor re-location control and lack of focus on product programme management led to losses and cash crisis

## ACTIONS

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- Stabilised cash by securing bank support for extended facility for short-term
- Addressed programme management issues and delivered more revenue
- Mentored majority shareholder and his personal cash requirements
- Addressed finance, operational and profit recovery

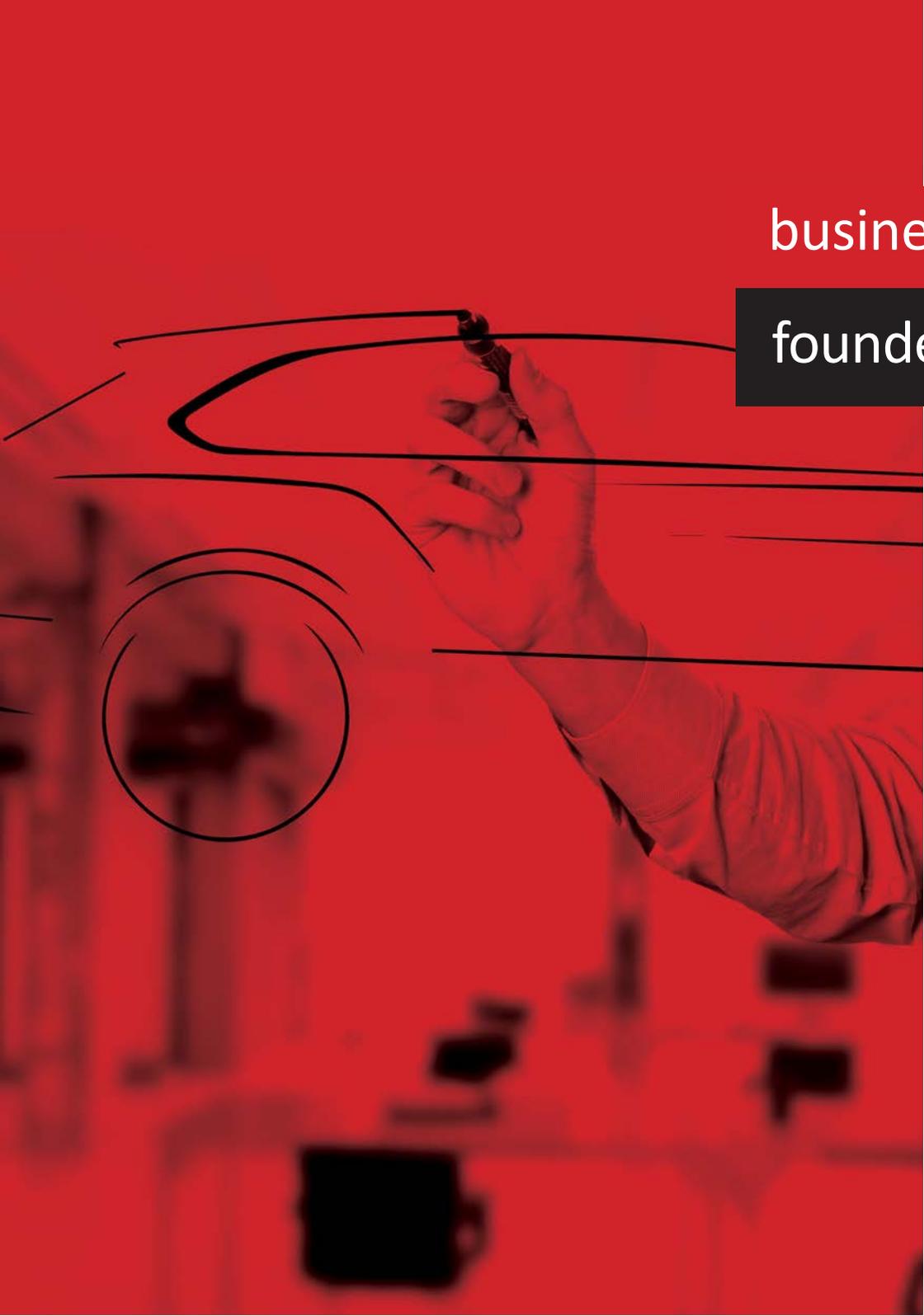
## RESULTS

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- Refinanced for growth and some equity release for majority shareholder
- New lenders on board
- On track for £12m revenue, £0.75m EBITDA
- Mid-term opportunity to £15m to £20m



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business loses

founder and cash

The sudden death of a charismatic founder left this car modelling business with anxious shareholders and customers.

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## BACKGROUND

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- Sudden death of founder and MD of specialist car modelling business with no succession plans gave rise to stakeholder concerns
- High profile of product to OEM clients
- Operating methodology relied on the MD
- Peripheral BD activities draining cash
- Founder died intestate

## ACTIONS

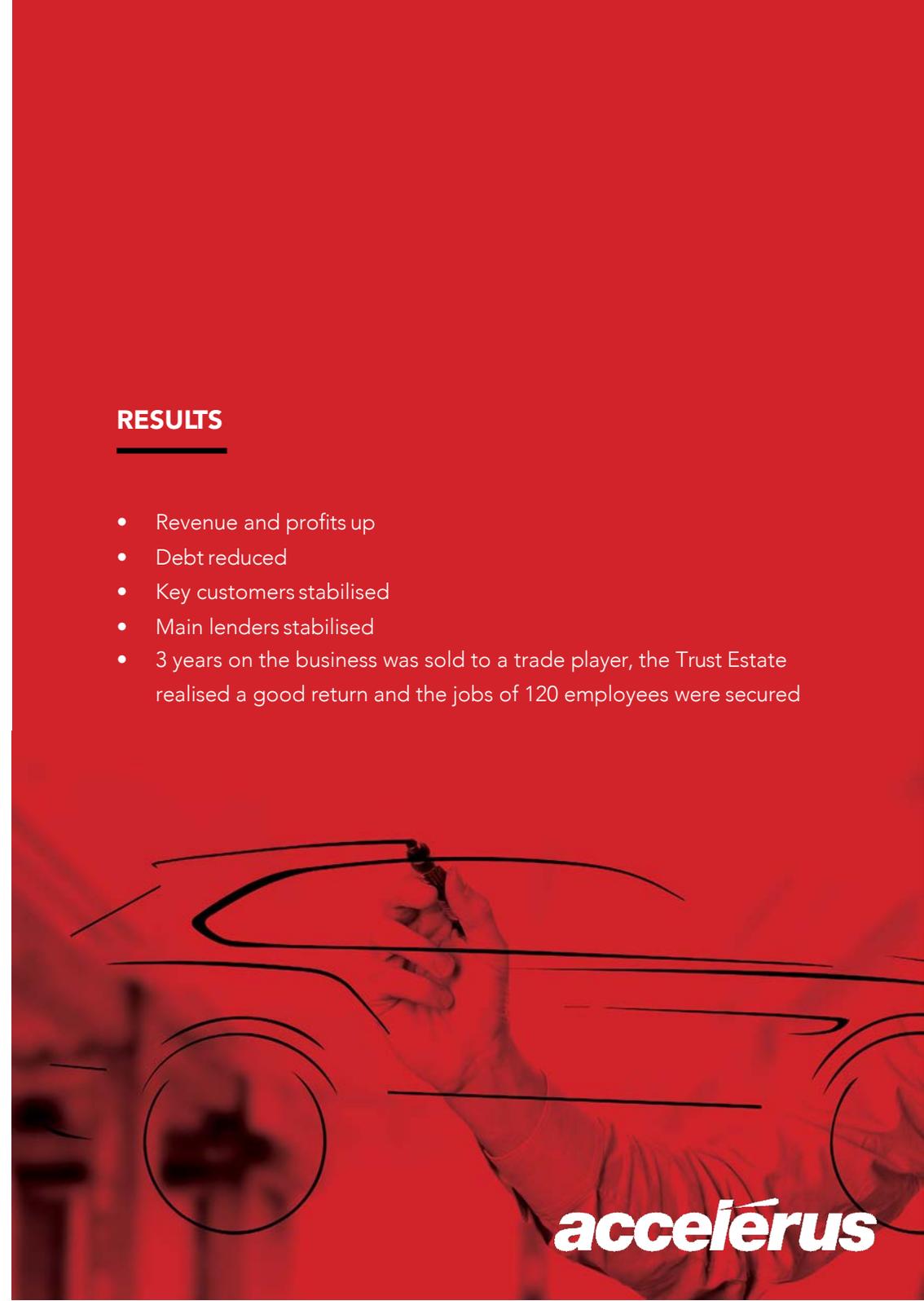
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- Introduced as Executive Chairman
- Mentored FD and other key managers
- Introduced structured KPI's and weekly rigour & discipline
- Built confidence in the operational delivery capability and stabilised key OEMs
- Ongoing review of core and peripheral businesses to build mid-term platform

## RESULTS

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- Revenue and profits up
- Debt reduced
- Key customers stabilised
- Main lenders stabilised
- 3 years on the business was sold to a trade player, the Trust Estate realised a good return and the jobs of 120 employees were secured



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the sound

of success

A brilliant innovation in speaker technology may never have made it market without the intervention of Accelerus who took control of the business to create an exciting future for all stakeholders.

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## BACKGROUND

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- Thin film patented speaker technology spun out of University
- Funded by a number of EIS funds
- No commercial traction in over 8 years

## ACTIONS

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- Accelerus led team in introducing first product to market
- Investors lost faith in Executive Chairman's ability to generate commercial traction and cut costs
- Accelerus takes on leadership roles (CEO & FD)

## RESULTS

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- Operating costs halved
- New sales structure implemented
- Developed industry leading headphone technology
- Attracted £3m investment
- Led board restructuring process
- Transferred management responsibility to new CEO (internal appointment)





## BACKGROUND

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- Loss making bespoke “me too” software business
- Imminent cash crisis with no growth in 17 years
- Owner stretched across multiple businesses and required objective insight to help stabilise and re-build

## ACTIONS

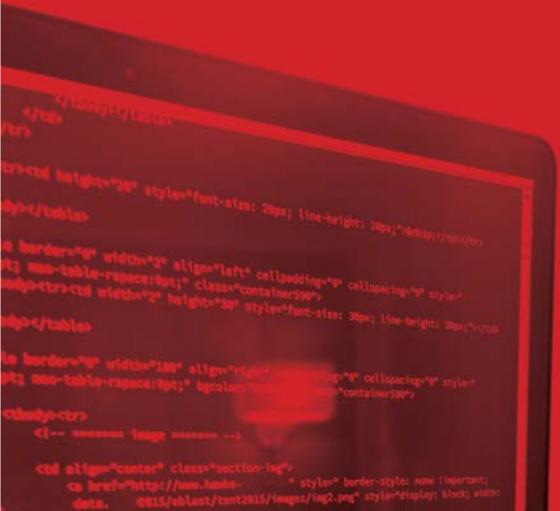
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- Cost reduction plan implemented
- “Dream Team” created to maximise contract conversion opportunities
- Employee contracts amended to reflect role accountability
- Project review process implemented
- R&D team established to accelerate adoption of new technology

## RESULTS

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- Profitable differentiation created – no longer “me too”
- Client satisfaction increased
- Stability
- Improved morale
- Recruited permanent Finance Manager
- Recruited permanent MD
- Two Accelerus board advisers in place to provide ongoing support and guidance



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auto parts

business stalls

We stepped in to put this auto parts business back on the road after a series of financial crises and complex family trust challenges.

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## BACKGROUND

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- £13m auto parts business facing multiple challenges
- Administration of sister company with cross guarantees to core business
- Core business manufacturing was inefficient
- Closure of loss making subsidiary in Germany
- Death of 70-year-old father who had led the business for 40 years
- Complex family Trust situation

## ACTIONS

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- Mentored inexperienced FD
- Assessment and removal of MD
- Created cash stability via rolling 13-week plan
- Took leadership of business as Executive Chairman
- Managed closure of German operation
- Provided leadership and mentoring to existing team
- Introduced experienced Supply Chain Director to lead operational recovery
- Effectuated handover to new Executive Chairman and investor who the Family Trust had sourced

## RESULTS

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- Threat of closure/insolvency was avoided, protecting 169 high-skilled UK jobs
- The business returned to live book within 2 years
- Profit of £919k achieved, a profit improvement of £1,900k year on year
- With the solid operating platform in place, growth plans are well advanced with £1,800k additional export sales forecast for the period to 2018



building

better structures

A complex organisational model was creating duplication of effort and increased costs for this global construction machinery company.

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## **BACKGROUND**

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- Division of construction machinery company employing 6,600 and generating revenue in excess of \$4.0bn a year
- A complex organisational model was leading to duplication of effort between business units, functions, and integrated project teams (IPTs)
- A deep structure with too many layers and interfaces

## **ACTIONS**

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We ran workshops for the senior team to:

- Build on the new organisational concepts presented
- Challenge 'rules and norms'
- Specify initiatives for improvement

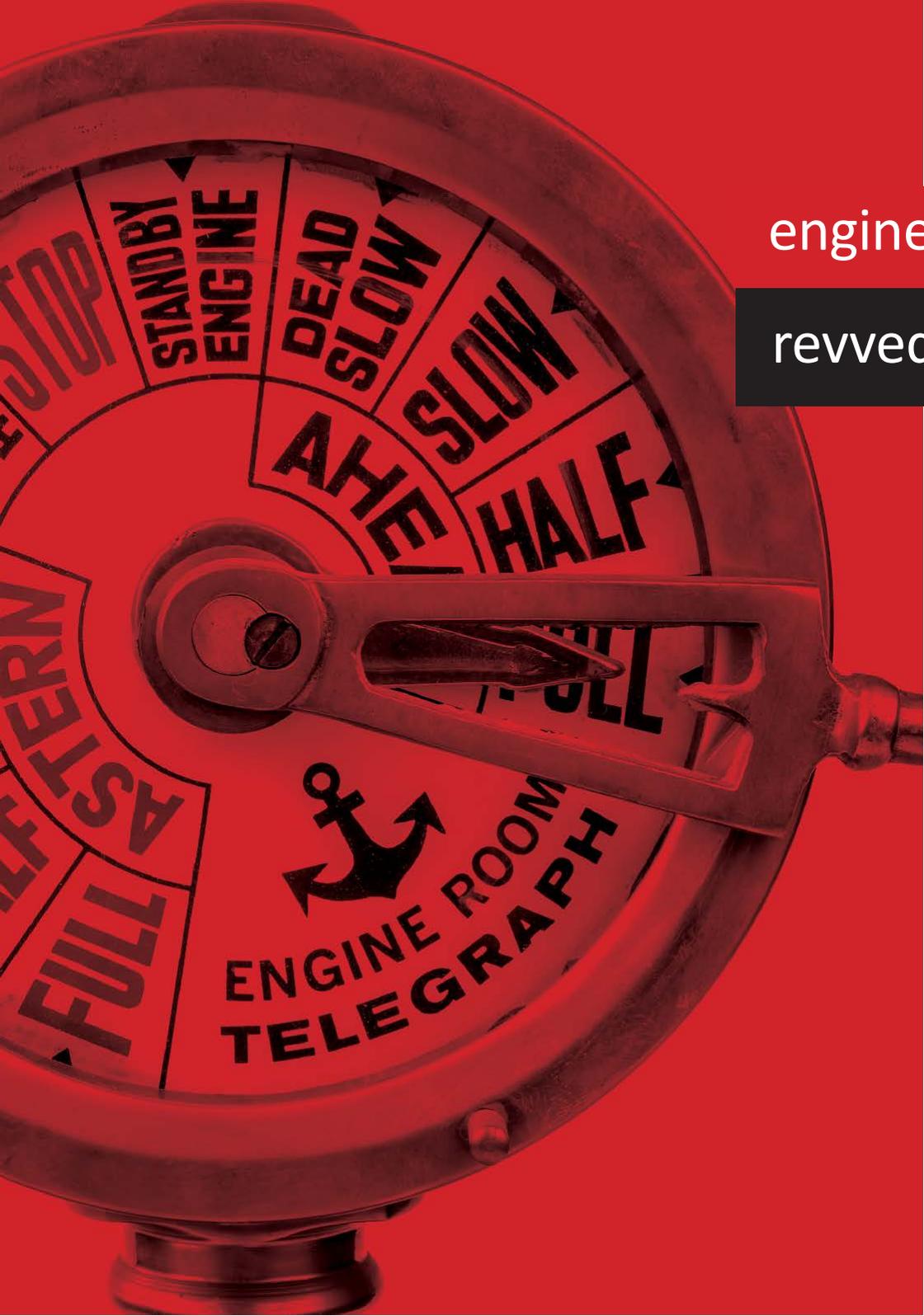
## **RESULTS**

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- Better direction and control, with fewer senior directors and VPs
- Redefined R&D processes and organisation at lower costs: saving \$50m
- Faster, cheaper, and better cooperation with the customer



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engine business

revved up

This global engineering giant called in Accelerus to help redefine tired processes and structures which were hampering efficiency.

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## BACKGROUND

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- Global engineering company employing more than 50,000 people in forty-eight countries.
- Specialist Marine division employs over 2,000 engineers
- We were asked to draw up and introduce an improved structure for engineering to meet the needs of the business:
  - Engineering strategy
  - Structure, processes, interfaces, size
  - Low-cost locations
  - IS and support tools
  - Talent management

## ACTIONS

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- We identified:
  - A lack of clarity on accountabilities
  - A lack of transparency on workload and capacity
  - Little progress on enabling technology (IS)
  - No framework to develop the balance of skills

## RESULTS

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- Defined processes and accountabilities, including interfaces with Services
- Improved the structure and processes of R&D
- Applied a business process for forecasting and optimising capacity that works across borders



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building

a better future

This modular building company was suffering from poor communication between sales and manufacturing, resulting in expensive customisation which hit margins hard.

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## BACKGROUND

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- Business designs, manufactures and constructs permanent and temporary modular buildings
- Key market is education sector which creates huge operational issues due to restricted access
- Poor hand-off from sales to operations resulting in a high level of expensive customisation work
- Huge adverse impact on profitability

## ACTIONS

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- Improved peak demand forecasting
- More robust qualification of sales leads
- Tighter commercial and operational controls
- Clarified accountability for outcomes and performance
- Expanded sales regions and invested in new sectors
- Refreshed marketing materials with benefits-led proposition

## RESULTS

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- Margins improved in line with industry standards
- CEO less involved in tactical details and now focused on business strategy
- Committed to achieving results through people which underpins the sustainable nature of profit growth





father's model

fails son

When the founder of this manufacturing company died, his son struggled to manage the business. Accelerus was called in by the bank to put things right.

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## BACKGROUND

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- £10m engineering business passed from father to son
- Departed founder's management model unsustainable resulting in drop in sales and margins
- Bank suggests external help to protect its £1.2m exposure
- Accelerus and KPMG appointed to devise and implement recovery plan

## ACTIONS

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- Full financial and operational audit followed by creation of recovery plan
- Accelerus introduced interim MD to lead turnaround
- Sales director mentored to become new MD
- Financial expertise given to help FD with turnaround

Father's model fails son

## RESULTS

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- Company returned to profit
- New permanent MD in place
- Shareholder became non exec chairman
- Relationship with bank normalised
- £500k profit achieved in the year after the re-structure



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reassembling

a joinery

The slump in the house building market had a major impact on this specialist joinery business leading to mounting debt.

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## BACKGROUND

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- Debt mounting due to housing slump
- Stretched creditors
- Husband and wife shareholders and directors had their personal assets at risk due to Personal Guarantee exposure

## ACTIONS

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- Improved cash flow and cost control
- Improved operational processes
- Secured short-term overdraft extension to help recovery through cyclical seasonal volume variation
- Stabilised all creditors

## RESULTS

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- Revenue up 40%
- Profit up 500%
- Debt reduced
- Personal Guarantees released



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luxury

is hard work

This ultra-luxury goods brand was hit by the economic downturn and an unstable distribution network. It was fast running out of cash.

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## BACKGROUND

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- Owner-managed UK manufacturer of ultra-luxury goods into a global market
- Market dynamics undermined by global economic downturn
- Financially unsustainable 3rd party distribution network – but needed for market access
- Running out of cash

## ACTIONS

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- Diagnostic review to assess the underlying business for the bank
- Improved cash flow control and forecasting
- Restructured distribution network operationally, legally and financially
- Revised debt facilities

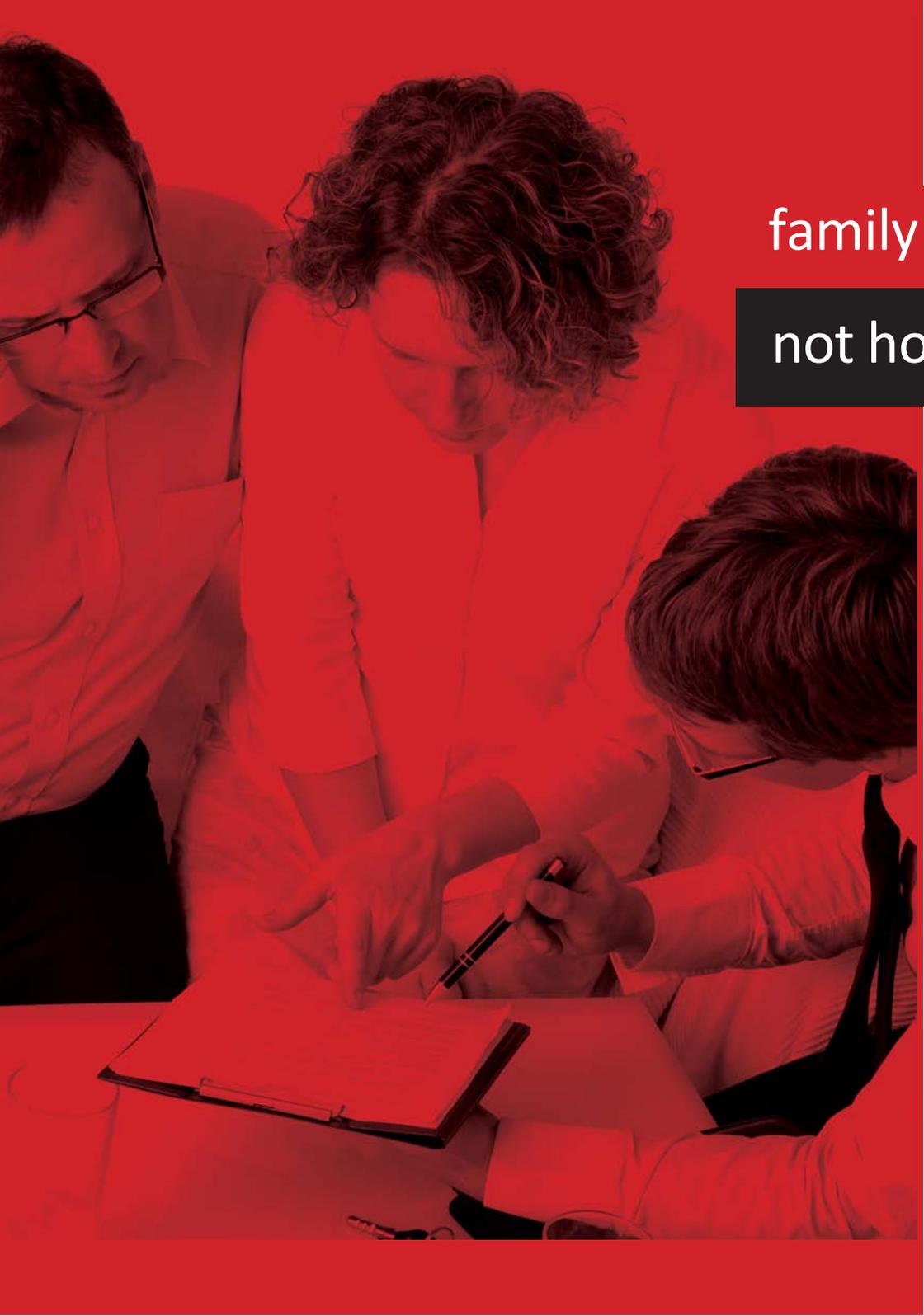
## RESULTS

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- Strategically and tactically aligned 3rd party distribution network
- Profitability
- Cash drain halted
- Normalised relationships with funders
- 1,800 jobs secured (and supply chain)



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family did

not hold back

Too many family cooks were spoiling the broth of this once successful business.

## BACKGROUND

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- Diversified second-generation family business
- Too many non-contributing family members to support
- No strategic rationale in the group
- Running out of cash
- Poor decision making information

## ACTIONS

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- Diagnostic review to assess the underlying businesses for the owners
- Improved management information
- Viability assessment (by business) to inform strategic plan
- Business Plan developed – including disposals
- Addressed family requirements

## RESULTS

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- Streamlined group operations (including disposals)
- Renewed debt facilities
- Normalised relationships with funders
- Transparent management information
- Improved profitability
- 120 jobs secured
- Fewer family arguments!





pig's

breakfast

We were called in to help a struggling food business running out of cash to support its state-of-the-art production facilities.

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## BACKGROUND

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- Food production company
- Developed state-of-the-art facility
- Funded through overdraft, not long-term debt
- Customers extending credit excessively
- Running out of cash

## ACTIONS

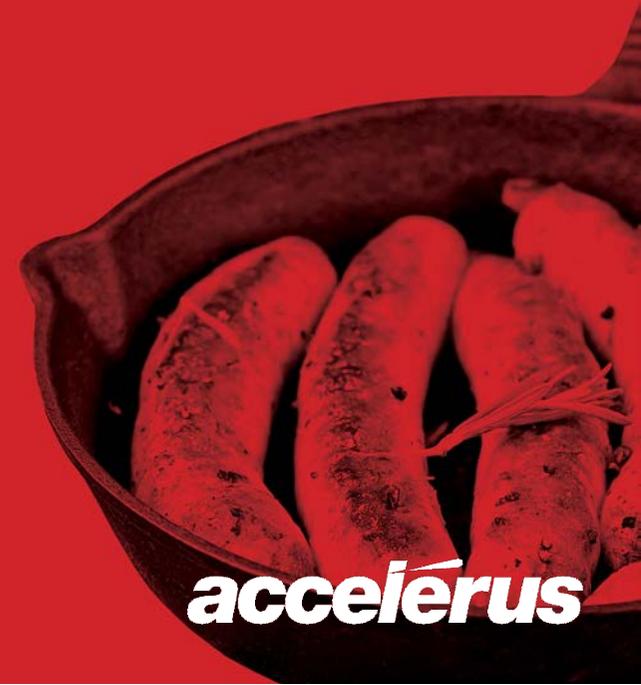
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- Diagnostic review to assess the underlying business for the bank
- Improved cashflow management and forecasting
- Business Plan developed to normalise funding arrangements
- Identify weakness in management team

## RESULTS

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- Bank funding restructured
- Normalised relationships with funders
- Management team strengthened
- Profitability improved
- 350 jobs secured



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