

Interim Managing Director - Turnaround (Business Coaching Services)

Ability to integrate into the client company

The chairman originally made contact to implement a “client management system”. The brief was in fact very different, within a week of dialogue this SME had run out of cash, and an interim MD was required to work along side the chairman to turn the business around. The business had no SOP planning, a disparate sales team, and terms that made cash flow very difficult to manage. As the business ran out of cash it became clear that the scenario was in fact a turnaround. The incumbent owner / managing director whilst excellent technically and on business development, was commercially unaware, and needed significant support and the supporting team were rather disconnected from the business

Impact on the business / bottom line

The business model was identified to generate a sustaining margin and re-negotiated terms and completed a CVA with the vendors. It became clear the business revenue was not secure enough and overhead structure difficult to reduce so it became clear a merger was the best option. Another interim MD was engaged as a potential purchaser, pending merging the business with a leader in the field that could easily absorb the revenue, commercially capitalise on the Intellectual Property. A short term cash injection was found from the merger partner, during the period of acquisition to keep the business solvent and trading and a sale was completed after a month of due diligence and a further CVA with creditors.

Overall contribution / achievement of objectives

The sustainable business and delivery structure was sold to the merger partner from the start in 6 weeks and the business was successfully incorporated into the new structure, providing an ongoing role for the owner manager, with equity and a site closure.

Working style

After exploring all the options, and facing up to the creditors formally with the new model, it was clear there was a good core business. The business required a clear direction, and having figured out the options the incumbent team under Tom's leadership did the analysis and developed the best course of action. An immediate set of controls were put into place to manage profitability for all current and existing business, to immediately correct the bottom line and manage the financial position and cash. This work was run in parallel with formal advice from an Insolvency Practitioner firm, and closely managed with day-day financial controls

Leadership / people management skills

Hands on decisive people development focused, faced and addressed the tough issues, got all stakeholders on board to become part of the long term solution whilst recognising the issues that gave rise to the crisis. Incumbent owner MD was redeployed into a role that played to his strengths

Legacy

The business continues with the merger partner today with the best of what could be salvaged from the original team and Intellectual property.

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