

## Turnaround (B2B frozen foods logistics supplier into UK FMCG retail)

### **Ability to integrate into the client company**

“The introduction to this business was through an IP, via the overseas parent company. The parent wanted to see the £40m subsidiary through the turnaround. The brief was that the logistics subsidiary was requesting unpredictable quantities of cash moving into its peak season, and the parent needed to engage effectively to repair the relationship between the overseas parent and create a financial plan and business model. Icebreaker proposed an FD and an MD however the client proposed deploying an MD supported with peer review, and FD thereafter. Terms of engagement to ensure the business solvency were clear were legal with solvency and turnaround costs underwritten by the parent.

### **Impact on the business / bottom line**

Within 3 days icebreaker had identified the source of the parent-subsidary relationship breakdown, and source of unpredictable cash demands, due to funding import duty on overseas shipments. However as we had no FD in place as proposed and lacked a cash plan, there was a further unstoppable request of £350k required to keep the business afloat before we had a clear cash flow forecast. The 5% parent’s gross margin targets for the business proved to be unsustainable and flawed.

### **Achievement of objectives**

If we had put the proposed FD / MD team in place we could have given the parent the option to close the business and save a further cash injection of £650k to keep the business running. In fact the gaps in pricing were established, and processes put in place to ensure the cash planning was predictable and means of funding was robust and profitable to deliver a c15% margin and a cash and business plan for the peak season and the next 12 months.

### **Working style**

Icebreaker quickly and respectfully established the terms of engagement and managed the broken relationship issues until resolved. The incumbent management team strengths and weaknesses were identified. The new organization defined the exit and recruitment requirements. The commercial management gap was filled with a former MD from the Brazilian subsidiary and an effective handover was effected. The interim FD / MD team to embed the financial; cash and profit, commercial, pricing and customer model moving forwards, and in fact grow the business to leverage their strengths, and administrative legal shortcomings resolved.

### **Leadership / people management skills**

The icebreaker team within 2 days got to grips with the issues, respected and managed the interpersonal difficulties and secured the stability of the business moving forwards, to create a stable customer and robust financial model capable of profitably growing to meet some incremental revenue opportunities, and maintained appropriate terms of engagement to ensure the nature and administration of the agreement met insolvency act 1986 and company act 2006.

Turnaround (B2B frozen foods logistics supplier into UK FMCG retail) team 2s