

# CASE STUDY

Aiding Financially Distress Environmental Org.



## & Outsourced Environmental Organizations

### CLIENT PROFILE

Engaged by a multibillion dollar international conglomerate to turn around, market, and sell North American contract operations in outsourced water treatment, wastewater treatment, and environmental services.

### CHALLENGE

Company had not hit forecasts for 10 years, resulting in diminished equity contributions from parent company. Custom ERP system was nearly useless, contractual issues ensured long term operating challenges, centralized financial operations precluded local management responsibility for performance. Business expansion was arbitrary, resulting in isolated geographic support for many projects. Parent company sought active confidential turnaround, as well as marketing and selling the company.



### RESULTS

The company management made bonus in Year 1 for the first time, achieved double bonus in Year 2 for the only time. Company target sell price of \$250M in 4 years was surpassed by sell price of \$510M in 2 years.

- All remaining projects elevated to profitability
- Successfully resolved all lawsuits and arbitrations
- Evaluated multiple international offers
- Assisted in integration into purchaser company

### BENEFITS OF 360 VERITAS TEAM

- Drive Change in Financial Statements**
  - Forensic Accounting
  - Financial Analysis
  - Mergers/Acquisition – Integrations and Divestitures
- Drive Change on the manufacturing floor and supply chain**
  - OEE Throughput /output
  - Warehouse & Operational Organization and Management
  - Scheduling/Forecasting/Planning
  - Business Transfer Facilitation
  - Quality and Operational improvement
  - Inventory Control and Rightsizing including Physical Inventory
  - Supply Chain continuous improvement and Risk Management
  - Warehouse Management
- Drive Change in Information Technology**
  - ERP/MRP system analysis and correction
  - Business Intelligence/Data Analytics
- Purchasing (Contract Evaluations and Negotiations)**
- IT, Sales & Marketing, Engineering resources**
- Rapid Response for distressed organizations/Crisis Resolution**

### APPROACH

With an urgent timeline, guided management to:

- Re-engineer quote process
- Focus on urgent local management of P&L
- Renegotiate/exit from negative contracts
- Create Risk/Opportunity management with aggressive follow through
- Reimplement “clean” ERP with parallel installation to avoid downtime

### SOLUTION

- Cash Flow Management – 13 week Cash Flow Forecast
- Technical, Operational, and Financial Leadership provided to aid existing Tier 1 management team
- Increase support of local management leadership to provide vast improvement of financial turnaround
- Aggressively pursued additional service opportunities
- Returned P&L responsibility to 350 project managers