

# CASE STUDY

Aiding Financially Distressed Food Brokerages



**& Distressed Food Broker**

## CLIENT PROFILE

Engaged by ownership to turnaround historically break even regional food broker in a very volatile industry.

## CHALLENGE

Ownership consisted of industry veterans that came up through the ranks with little outside experience. Manufacturers were increasingly avoiding regional brokers to deal with a single national provider. COVID was a huge negative for the company, its salesforce called on restaurants, bars, schools, and hospitals. Three years of diminishing sales created negative cash flow. “Last chance bank,” onboarded shortly before we engaged, categorized one step up above “Workout.” Lost its biggest customer in Week 1, that erased 35% of revenue, exacerbating cash and net income issues.



## APPROACH

With an urgent timeline, guided management to:

- Re-engineer budget/cash flow forecast
- Exit marginal markets immediately
- Renegotiate/exit from negative contracts
- Evaluate all positions by contribution
- Evaluate all capital projects for contribution

## SOLUTION

- Aggressively pursue replacement revenue by customer type.
- Cash flow/budgeting vastly improved resulting in trust from all stakeholders, including ownership and bank
- Exited 25% of markets, close major office
- Aggressively reduce non revenue positions
- Reduce headcount to mirror current correct forecast, add back positions only when new revenue would finance
- Restructure reporting by market lines

## RESULTS

Company quickly returned to profitability by

- Major indirect staffing reductions
- Aggressively pursuing smaller customers
- Restructured to largest customer at only 4% of revenue
- Eliminated ownership cash contributions due to predictability of approach
- Allowed successful sale of the company to larger competitor at vastly higher price

## 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