
Reference:

CASE STUDY II

From:

Advanced Development

Date, Place:

29.07.2009, Bucharest

To:

WHOM IT MAY CONCERN

CASE STUDY II**The Challenge**

A 10-year-old company that developed and distributed office supplies lost its focus as it expanded into unrelated fields and financial crisis appeared in the world, as well in Romania. After losing money month after month, the business lost credibility with its secured lenders as well as its customers. Vendors stopped shipping materials because they weren't being paid, and employee morale was at an all-time low. The company's bank mandated that Advanced Development be engaged in order to continue the loan.

The Art of the Rebound

Advanced Development professionals went in as interim Chief Operating Officer and Chief Financial Officer. Since a healthy demand for company's products continued, they recommended concentrating on the core business and closing down the unrelated and unprofitable divisions. They also revamped the company's product catalog, revisited the pricing structure, implemented a new software system, and reorganized management reporting systems. They moved quickly to restore credibility with the bank and suppliers of raw materials.

The Outcome

Closing the unprofitable business units resulted in significant cost savings. The company returned to profitability within months, and trade creditors were fully paid off in 90 days. Advanced Development professionals continued to run the company for the next year, at the request of the owner, and its success is ongoing.