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Rescued A Failed Integration Of A Recent Acquisition And Restored Stability.

Background

The client was a completely autonomous, standalone business, with over 50 offices in 33 USA metropolitan markets, employing over 1,200 associates, and producing hundreds of millions of dollars in annual revenue. A USA based, Fortune 200 business with international operations, acquired the business. The vision at acquisition was to cross-sell their respective product lines between the two companies' customer bases. A road sales force of hundreds of salespeople, supported by 24-hour call center operations, and hundreds of field technicians combined to drive the client's sales.

Challenges

The client, previously owned by an investment group, was experiencing small losses at acquisition. The new owner initiated a synergy study to integrate both companies' administration functions, including computer systems, within the parent's headquarters. Unfortunately, the planning and implementation of the integration was poor (see also my article on *"Process Improvement: The One Thing You Must Consider to Be Successful"*), resulting in a breakdown of operational execution, a reduction in customer support, and an erosion of morale.

Client associates were hopeful that being bought by a successful, vibrant, larger business would finally give them the resources needed to stabilize and grow the business. Instead they fell into despair and anger as the flawed business integration and software conversion damaged their business. The business deteriorated and the cash losses rose to over \$1 Million per month.

The legacy Chairman of the Board and the CEO were removed, and I was chosen to step in and take immediate control of the business, reporting

directly to the parent. My immediate goal was to stabilize the business and stop the losses. My secondary goal, working with the parent's management team, was to determine if the client was a strategic fit for the parent and, if not, to lead the parent through a sale of the business.

My Solution

I implemented my "*Ten-Step Approach to Leading a Successful Turnaround*", to take control and lead a turnaround of the business. After a thorough and expedited review of the entire business, working with my newly formed team at the client, we developed and executed a game plan that held all offices nationwide accountable for P&L performance. Working together we identified revenue opportunities, costs savings initiatives, and innovative ways to improve operating results.

Within five months, we had stopped the losses and brought stability to the P&L and cash balances. With financial stability, we initiated a turnaround plan focused on eight critical short-term objectives, which we had identified as the most important things to accomplish to dramatically increase the productivity of the business. These were initiatives that were within our resources and ability to execute and would most improve the current operating performance of the business from our customers', shareholders', and associates' perspectives.

The turnaround plan was anchored on a robust communications plan addressing all stakeholders in the business. This focused on explaining the true state of the business, our turnaround plan, and our progress against identified milestones. Additionally it gave all a vehicle to communicate directly with me and the executive management team. This allowed us to answer their questions, mitigate their anger, dispel rumors, and support the team in the best way possible to speed solutions and drive our turnaround efforts.

Results

While reducing and eliminating cash losses within months of my arrival, we also:

1. Brought stability to a poorly executed Oracle conversion
2. Moved the headquarters with hundreds of administration and call center associates to a more viable, long-term solution
3. Stabilized and improved customer support and service
4. Dramatically improved associate morale

In the end, we determined that the business was not a good fit with the parent's strategic agenda at the time. So we sold the now stable and well managed business a year later.

If your company is facing a turnaround or major challenge, I'd love to talk with you. Please send an email or call me directly —

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