



CASE STUDY: Operations, Employee & Assets Stabilization

Family-Owned Logistics & Distribution Company

THE SITUATION

A 30-year-old family-owned regional logistics and distribution company was in crisis. It had closed its year with a \$3 million loss and was in default with lenders. In fact, it had not been profitable in recent history, with the exception of a brief but unsustainable boost during the pandemic. The company lacked leadership, strategy and operational efficiency. Its CFO, a 4th-generation leader with serious health issues and no clear succession plan, sought Fahrenheit Advisors' expertise to assess management and operations, and stabilize the company to protect its assets and employees.

OUR APPROACH

With the urgency of the situation, Fahrenheit took swift action to stabilize the company while developing an operational strategy for a turnaround. Placement of an interim CEO with deep turnaround experience was the first priority. Next, Fahrenheit expedited a thorough assessment of the company, industry, and market dynamics, evaluating assets and determining strengths, weaknesses, opportunities and threats.

Fahrenheit quickly identified several opportunities to pivot the business and began rigorously executing a disciplined plan of action, with support from ownership and the former CEO. With laser-focus on generating positive outcomes, the plan had four pillars: strengthening core business functions, streamlining logistics, reassessing contract commitments, and utilizing hidden assets to generate profitability. In addition, Fahrenheit was tasked with assessing multiple family members as CEO candidates.

Within 5 months, a strategic plan was defined for the new CEO and the business returned to being profitable. After 60 days, it was clear the neither the company nor the new CEO was capable of a turnaround, and ceasing operations was the best decision. Ownership asked Fahrenheit to return in order to direct the dissolution. Fahrenheit managed the unfortunate closing of the business including successfully placing 250 employees with a new employer, and monetizing the business to pay all creditors and payout all equity owners.

THE RESULTS

- Stabilized the company to protect its assets and employees
- Leveraged existing assets to create new profit opportunities
- Put the company in the green within 90 days
- Evaluated multiple CEO candidates
- Developed an operational strategy the new CEO could execute independently
- Managed best-practice standards to close the company, with the support of all stakeholders
- Transitioned 250 employees to a new employer
- Monetized the business providing all equity owners with a payout and paying all creditors