



CORPORATE PERFORMANCE IMPROVEMENT

CORPORATE TRANSFORMATION SERVICES

BRING LEADERSHIP, ACTION AND RESULTS TO YOUR TRANSFORMATION



ALVAREZ & MARSAL
LEADERSHIP. ACTION. RESULTS.™

CORPORATE TRANSFORMATION SERVICES

Today's economy is riddled with the unpredictable – a pandemic, changing customer behavior, activist investors, and geopolitical volatility and trade wars create uncertainty as leaders rethink their businesses. Successfully navigating these market and competitive factors often demands change at a pace and scale many companies struggle to achieve.

With execution skills honed from decades of restructuring experience, A&M helps CEOs and boards drive substantial and sustainable cost structure and performance improvements to create organizations that thrive in today's market.

CLIENTS CALL US WHEN:

- A dramatic downturn in profitability and revenues caused by rapidly changing market conditions demands renewed focus on costs and cash
- A new CEO, senior management or the Board of Directors needs practical but aggressive profitability improvement, cash generation and change
- There is a threat from activist investors, prompting management to understand and address competitive gaps and other vulnerabilities
- Previous transformation initiatives fall short of realizing necessary change
- A recently completed acquisition or divestiture demands significant changes in the cost structure

OUR CORE SERVICES



EXECUTING COMPLEX TRANSFORMATIONS

- Rapid Results Assessment
- Implementation Planning
- Results Delivery
- Transformation Program Management



RESTRUCTURING ENTERPRISE PORTFOLIOS

- Integration Planning and Execution Support
- Core Asset Performance Improvement
- Non-core Asset Disposal
- Distressed Asset Mitigation
- Stranded Cost Reduction



OUTSIDE-IN EVALUATIONS

- Financial Performance Review
- Operational Performance Review
- Governance and Strategic Diligence
- Valuation and Competitor Analysis



MANAGING SHAREHOLDER ACTIVISM

- Strategic Advisory
- Capital Markets Scenario Analysis
- Activist Campaign Management
- Strategy and Operations Playbook
- Communications and Stakeholder Alignment

SUCCESS STORIES

STREAMLINING GLOBAL OPERATING MODELS TO UNLOCK NEXT PHASE OF GROWTH

A Fortune 50 retailer dismissed its CEO after experiencing multiple financial and operational setbacks over an 18-month period. Its core domestic business was underperforming, and international expansion, thought to be the secret for growth, was failing to deliver on expectations. Despite lagging the competition, the client retained a loyal customer base and was considered an iconic North American brand. The newly hired CEO, in partnership with the CFO, was determined to lead a significant commercial turnaround; they called A&M for help.

A&M analyzed organizational effectiveness against industry peers and conducted an enterprise-wide assessment of current operations. Coupling this analysis with A&M's extensive turnaround experience, the team developed a future state organization that substantially reduced the client's overhead cost structure. They also delivered analysis that influenced the client's decision to wind down operations and restructure remaining assets in one of its most problematic international markets. A&M led the wind-down and restructuring.

As A&M began implementing key initiatives and the new organizational framework, they evaluated the cost structure using inside-out (internal company data) and outside-in (public data) perspectives, providing key recommendations regarding the efficacy of in-flight cost initiatives as well as an objective view for how potential activist investors and Wall Street viewed the client. During this effort, A&M uncovered an additional \$500 million in value creation opportunities within just one division, which was incorporated into the broader program for execution over the course of the turnaround.

As a result of the work, A&M identified over \$2 billion in SG&A reductions to be realized over the course of a 24-month transformation program.

ENSURING GROWTH TRANSLATES TO PROFITS

Despite significant growth in recent years, a manufacturer of engines and other major components for the aerospace sector struggled to convert its growth in revenue (upwards of \$15 billion) to growth in profits. This disconnect prevented the company from funding internal projects and future growth opportunities, and just as important, disappointed investors. Leaders tried to address the challenge through various small transformation initiatives, but failed to deliver. As a result, a new senior executive team was hired and chose A&M as their partner to transform the organization.

A&M began by evaluating the client's cost structure and global operating model. The team identified three key areas on which to focus. The first was standing up a Shared Services organization to consolidate redundant operations, which included streamlining end-to-end processes to eliminate waste. A&M also simplified company-wide management systems, reducing bureaucracy and decision cycle time.

The second area focused on reducing working capital to increase free cash flow to the company. Specifically, A&M focused on the Procure-to-Pay and Order-to-Cash processes where the team negotiated more favorable commercial terms as well as shortened the time to receive cash from customers.

Finally, A&M worked closely with the Chief Restructuring Officer, using a combination of top-down and bottoms-up approaches to define new operating models for core divisions, such as Engineering and Operations. The team better integrated technology capabilities to increase automation and eliminate routine tasks.

As a result, A&M helped deliver over \$500 million in incremental operating cash by streamlining the corporate matrix and instituting a new operating model, establishing shared services, reducing headcount, improving efficiency and effectiveness in key divisions, and reducing indirect procurement spend and working capital.

WHY CHOOSE A&M?

SOLVING COMPLEX PROBLEMS IS IN OUR DNA.

After 30 years of resolving some of the most urgent challenges in business history, we have honed critical expertise that clients at all maturity levels can use to achieve rapid results.

SENIOR-LEVEL EXPERTISE AND LEADERSHIP.

Our seasoned executives and operators bring independent perspectives and practical solutions based on real industry experience.

URGENCY FOR ACTION AND RESULTS.

Clients frequently comment that we drive change and results at a scale and pace that our competitors cannot match.

OBJECTIVE AND INDEPENDENT.

Without the potential conflicts of public accounting firms, A&M offers objective, credible advice you can trust to be in your best interest, not our own.

“

“The company announced it has been working with Alvarez & Marsal to reduce its cost structure and identify significant savings. It was far greater than what management had been able to achieve on its own.”

— Engine Capital

“A&M landed, immediately gained credibility with local leaders, partnered with them and successfully designed and executed our international transformation”

— Client EVP of Operations

”

CONTACTS



RON ORSINI

U.S. PRACTICE LEADER

+ 1 832 768 4317

rorsini@alvarezandmarsal.com



MALCOLM MCKENZIE

EUROPE PRACTICE LEADER

+ 44 020 7663 0433

mmckenzie@alvarezandmarsal.com



ABOUT ALVAREZ & MARSAL

Companies, investors and government entities around the world turn to Alvarez & Marsal (A&M) when conventional approaches are not enough to make change and achieve results. Privately held since its founding in 1983, A&M is a leading global professional services firm that provides advisory, business performance improvement and turnaround management services.

With over 4,500 people across four continents, we deliver tangible results for corporates, boards, private equity firms, law firms and government agencies

facing complex challenges. Our senior leaders, and their teams, help organizations transform operations, catapult growth and accelerate results through decisive action. Comprised of experienced operators, world-class consultants, former regulators and industry authorities, A&M leverages its restructuring heritage to turn change into a strategic business asset, manage risk and unlock value at every stage of growth.

When action matters, find us at:

[AlvarezandMarsal.com](https://www.alvarezandmarsal.com)

Follow us on:



ALVAREZ & MARSAL

LEADERSHIP. ACTION. RESULTS.™