**Case 1: Failed Reselling SME Turnaround**

**Acquired through an MBO this failed SME was grown back to profit and sold into a larger same sector business. Magic key?... No. Hard work and focussed effort?... Yes. Easy?... Definitely not!**

This small business had existed for more than three decades but had excessively focussed on two major customers. Not so much the 80:20 as the 95:5 rule!

First step was to re-present the business to its wider market place locally. A new logo retained the established company name whilst using the “oldest new company in the city” approach to announce change.

The business had a huge number of account holders all trading on their distress and special purchases whilst placing the majority of their business elsewhere. It had found itself trapped in a Catch 22 ; no volume, no discount, no discount, no volume! Research confirmed that the company was perceived as “slow and dear”, but that the market did not hold its competitors in particularly good regard either.

As more and more dormant customers were encouraged to reconsider the new offer a widening of the product ranges offered added more of a one stop feel to the trade counter and express collection points (borrowed from retail) appealed to many account holders.

Whilst the business was largely defunct at the point of takeover it is fair to say that turnover was at least doubled and ultimately the business was able to survive the 2008 crash.

Perhaps the most critical aspect of this turnaround was the effect that there was no eureka moment, no point of innovation. The products supplied were all generic, the pricing market competitive but not exceptional.

What was exceptional, however, was the focus on customer need and exemplary service provision and ultimately this is what turned the thing around.

The management buyout that led to my ownership of the business was a tough process for both parties but ultimately provided the owners with an exit and gave the business another chance.

I have been involved in another MBO since (see Case 5) and both situations have reinforced the idea that an exit strategy ought to be part of any business owner’s thinking, even if only to confirm that it’s an option that the owner does not want to take up!

*All of the work done on this business was based on the application of solid, real world strategies to improve the offer and delivery to customer. It gave me invaluable experience in all areas of the day to day management of a business from marketing to debtor management.*

*If any of the above strikes a chord and you think we might be able to help you move your business forward, please get in touch.*

*AP 2016*