



Business Unlimited
Strategy Consultants

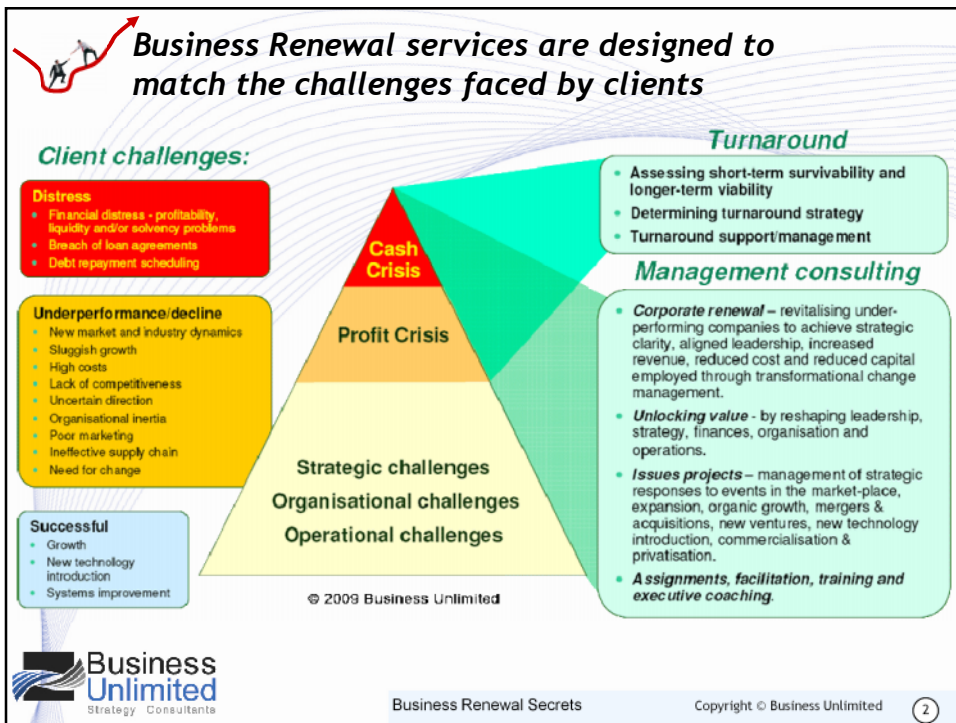
BUSINESS RENEWAL SERVICES

Successful Business Renewal Secrets

Business Unlimited strategy consultants
Customized Unique Long Term Solutions

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Business Renewal services are designed to match the challenges faced by clients

Client challenges:

- Distress**
 - Financial distress - profitability, liquidity and/or solvency problems
 - Breach of loan agreements
 - Debt repayment scheduling
- Underperformance/decline**
 - New market and industry dynamics
 - Sluggish growth
 - High costs
 - Lack of competitiveness
 - Uncertain direction
 - Organisational inertia
 - Poor marketing
 - Ineffective supply chain
 - Need for change
- Successful**
 - Growth
 - New technology introduction
 - Systems improvement

Pyramid of Challenges:

- Cash Crisis** (Top)
- Profit Crisis** (Middle)
- Strategic challenges**
- Organisational challenges**
- Operational challenges** (Bottom)


Turnaround

- Assessing short-term survivability and longer-term viability
- Determining turnaround strategy
- Turnaround support/management

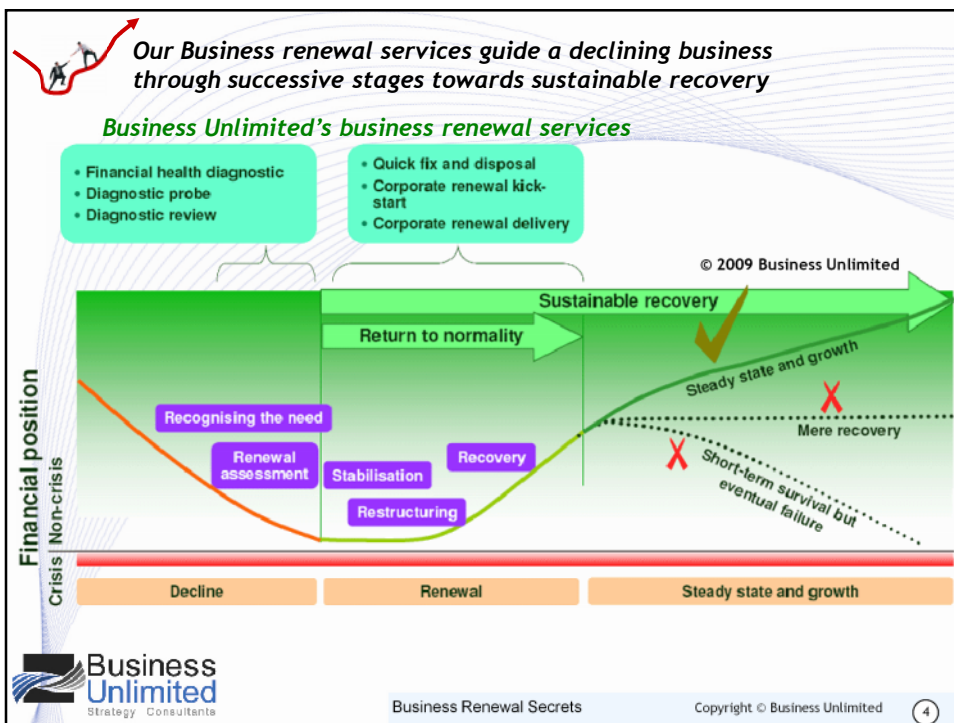
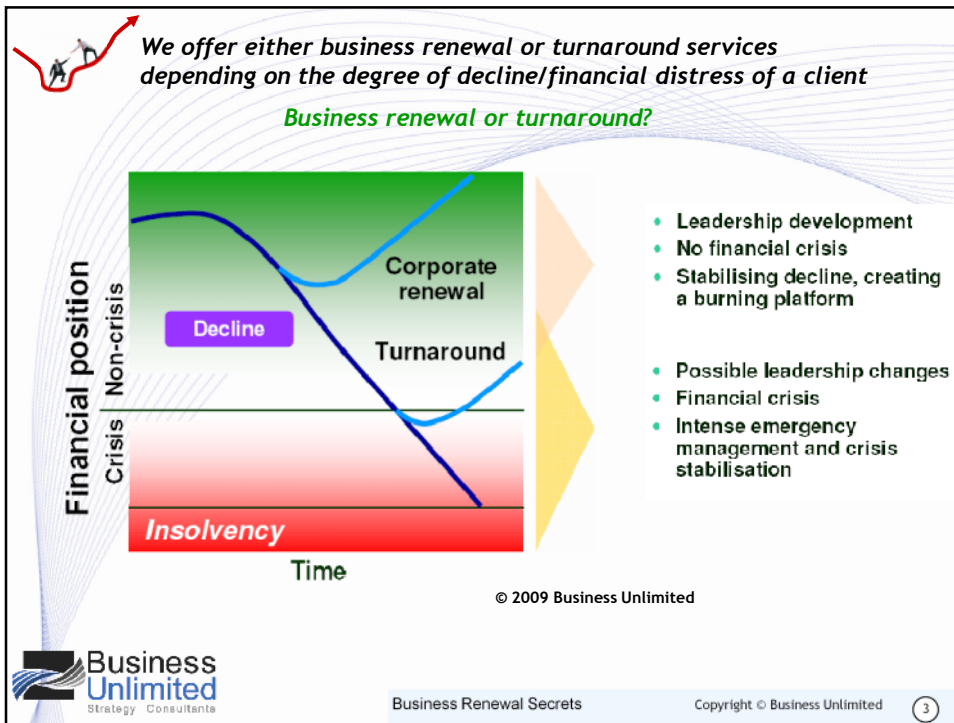
Management consulting

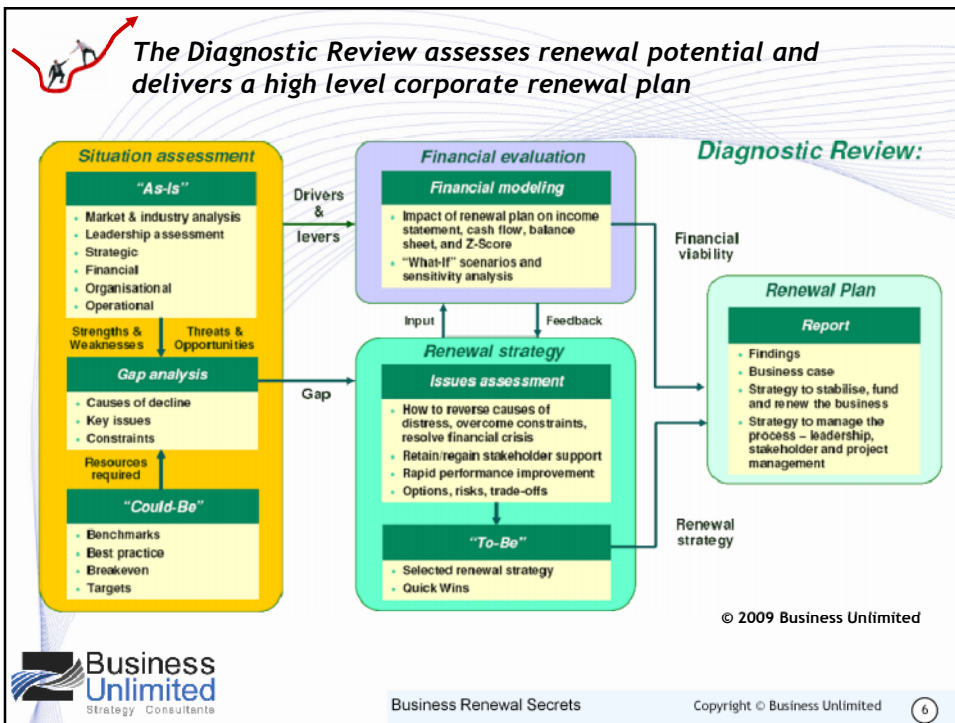
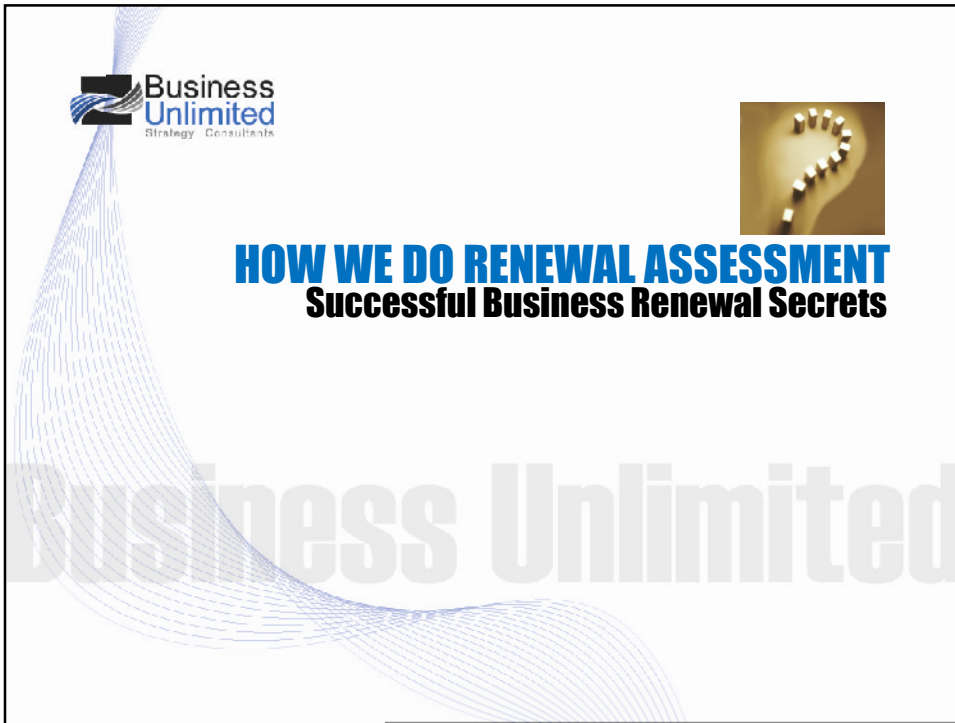
- Corporate renewal** – revitalising under-performing companies to achieve strategic clarity, aligned leadership, increased revenue, reduced cost and reduced capital employed through transformational change management.
- Unlocking value** - by reshaping leadership, strategy, finances, organisation and operations.
- Issues projects** – management of strategic responses to events in the market-place, expansion, organic growth, mergers & acquisitions, new ventures, new technology introduction, commercialisation & privatisation.
- Assignments, facilitation, training and executive coaching.**

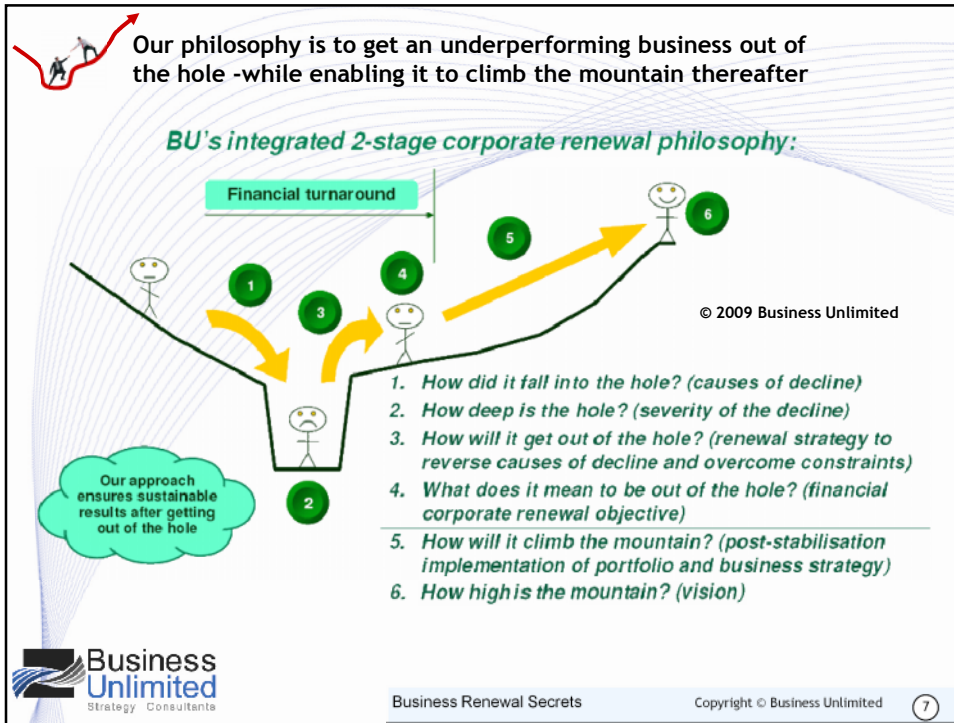
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The Diagnostic Review identifies causes of decline and develop appropriate solutions to counter them

Example: High level identification of a client's causes of decline:

Studies of causes of decline	Case 1	Case 2	Case 3	Case 4	Case 5	Case 6	Case 7	Client X High level identification of causes of underperformance		
Internal causes	Poor management	✓	✓	73%	✓	✓	✓	84%	✓	Leadership & organisational issues, lack of performance management
	Poor financial control		✓	75%	✓	✓	✓	60%	✓	Poor cost accounting systems
	High cost structure	✓		35%	✓	✓	✓	56%	✓	Opex investment in growth did not pay off, overheads
	Poor marketing	✓		22%	✓	✓	✓	20%	✓	Growth strategy without enablers
	Big projects	✓		17%	✓	✓		20%	✓	Internationalisation
	Acquisitions			15%				72%		
	Financial policy			20%	✓		✓	84%		
External causes	Changes in market demand	✓	✓	33%	✓	✓	✓	68%	✓	Losing customer relevancy
	Competition	✓	✓	40%	✓	✓	✓	44%	✓	Losing market share
	Adverse commodity prices	✓	✓	30%	✓	✓	✓	20%		
	Government policy	✓	✓				✓			
	Strikes	✓								
	Bad luck		✓				✓			

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We employ a well-developed qualitative corporate renewal viability filter

Example - high level qualitative viability assessment:

Viability	Non-recoverable		Recoverable	
	No-hopers	Short-term survival but eventual failure	Survival but unexciting prospects	Sustainable recovery and good prospects
Causes of decline: • Are causes of decline reversible?			Plan A	Plan B
Severity of the financial crisis: • Can the financial crisis be eliminated?				No crisis
Cost/price structure: • Can a rapid improvement in profit margins be achieved?				Overhead cost reduction, repricing, sales force effectiveness
Attitude of stakeholders: • Do favourable attitudes exist or can they be developed?			Without union support	With union support
Historical strategy: • Can internal constraints on renewal potential be overcome?			If legal dispute cannot be resolved	If legal dispute can be resolved
Industry characteristics: • Favourable to renewal?			Industry in decline, strong competition	

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We apply modern portfolio management principles to redefine the strategic portfolio

1 Head office role:

Emergency ✓	Interventionist: • Acquisition-driven • Market expansion • Competence and culture building • Performance control
Hands-off • Olympian	

Head office

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2 Clustering: SBU 1, SBU 2, SBU 3, SBU 4, SBU 5

Clustering of operations into units:





- With similar Success Factors
- With similar Improvement Opportunities

• Downscope
• Divest, quick fix & disposal, liquidation


X or ✓

- Renewal and hold
- Renewal and grow

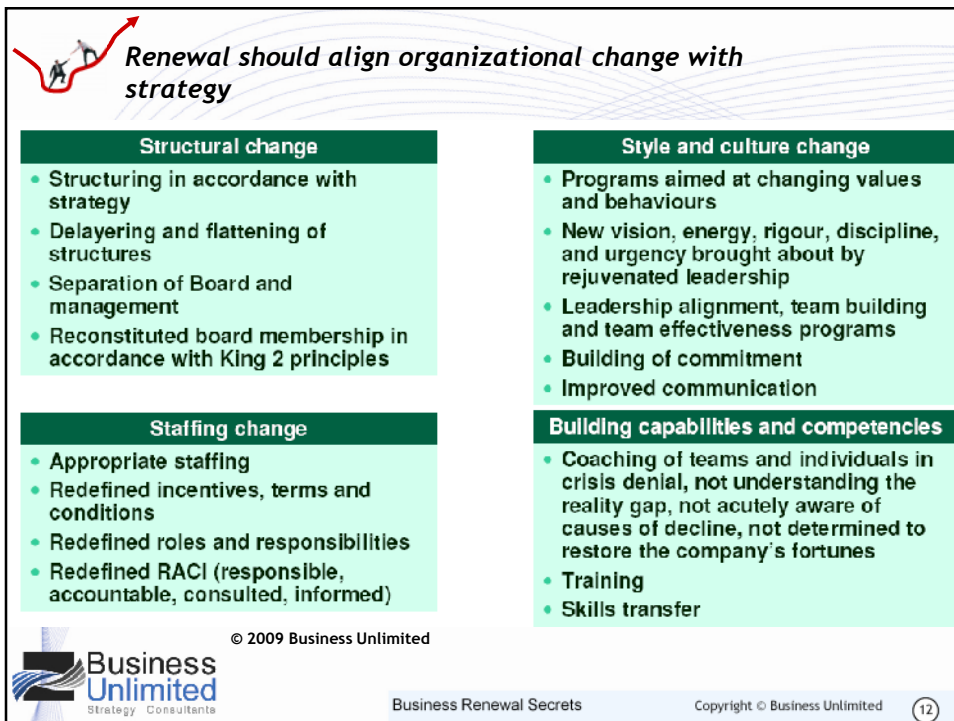
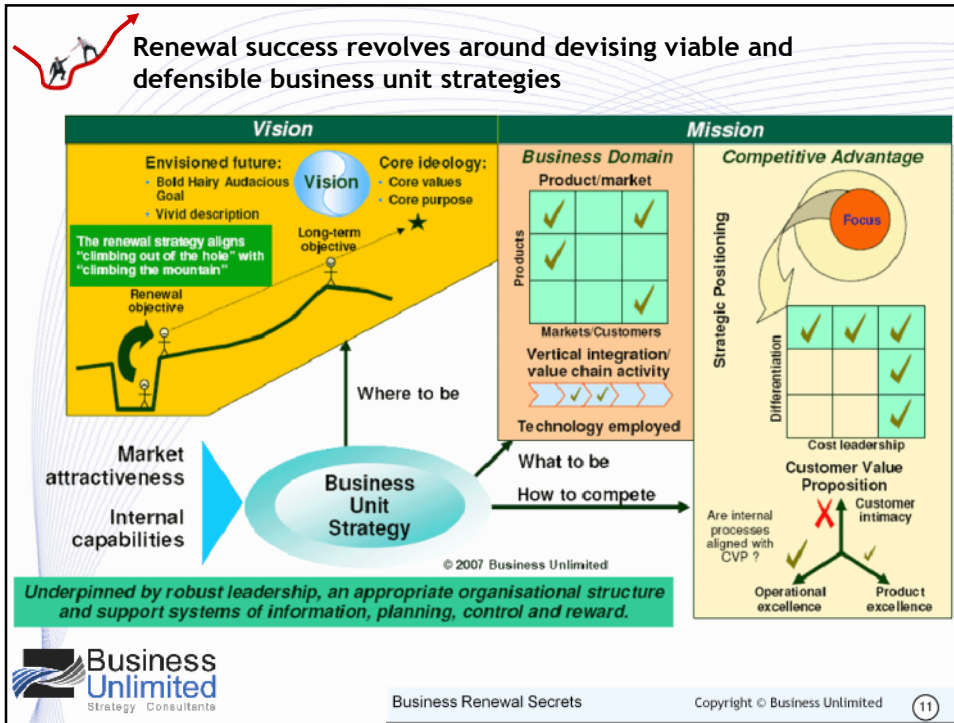
3 Portfolio strategy:

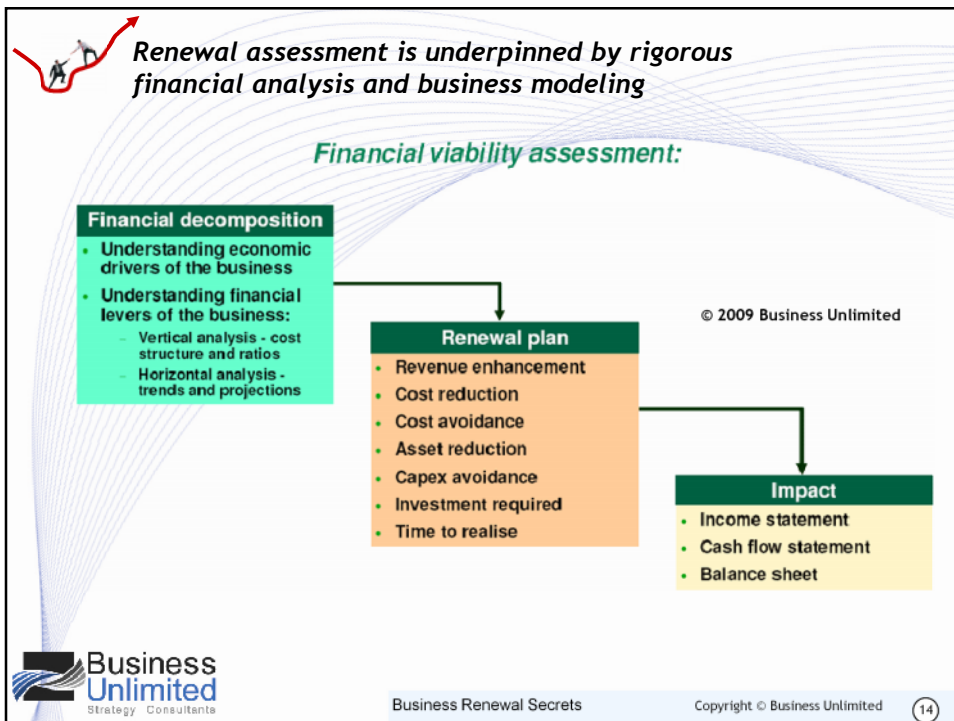
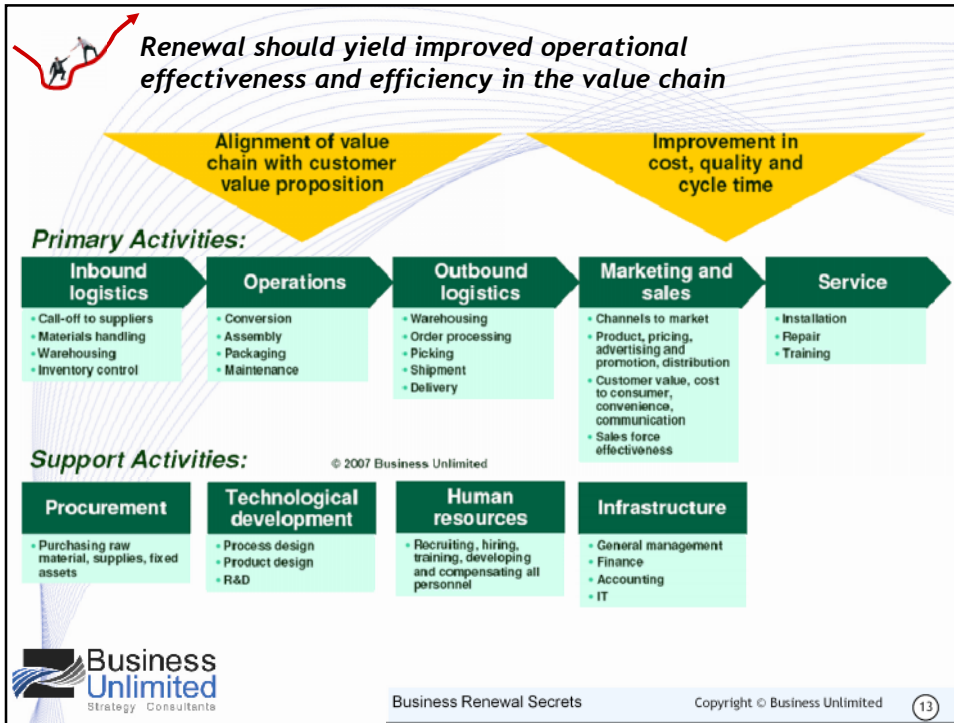
Profitability Vulnerability Zone Normative Band Opportunity Zone Relative market share	Market growth rate Relative market share 	Market growth rate Relative market share 	Market attractiveness • Market growth • Industry ROCE • Demand / capacity balance • Barriers to entry • Substitution threat • Intensity of rivalry • Power over customers • Power over suppliers
			

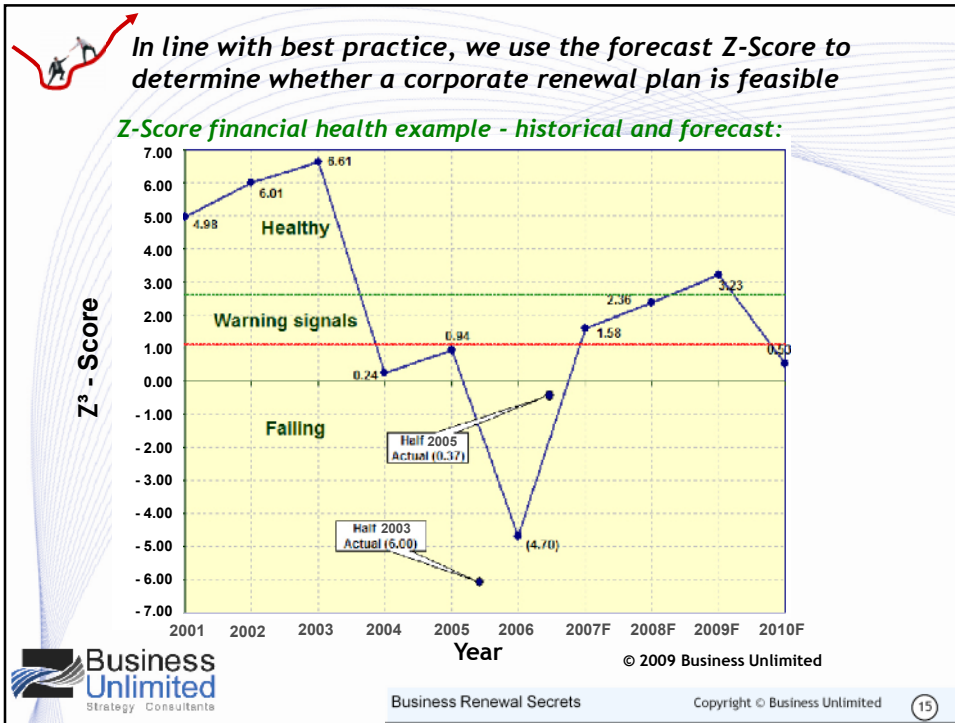
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HOW WE DO RENEWAL IMPLEMENTATION
Successful Business Renewal Secrets

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Following the Diagnostic Review, we apply our tried and tested corporate renewal model to yield sustainable results

BU corporate renewal model:

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BU's strength lies in its ability to manage the corporate renewal process, and to stabilise, fund and renew the business.

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Our corporate renewal model consists of modules covering corporate renewal stages and components of renewal strategy

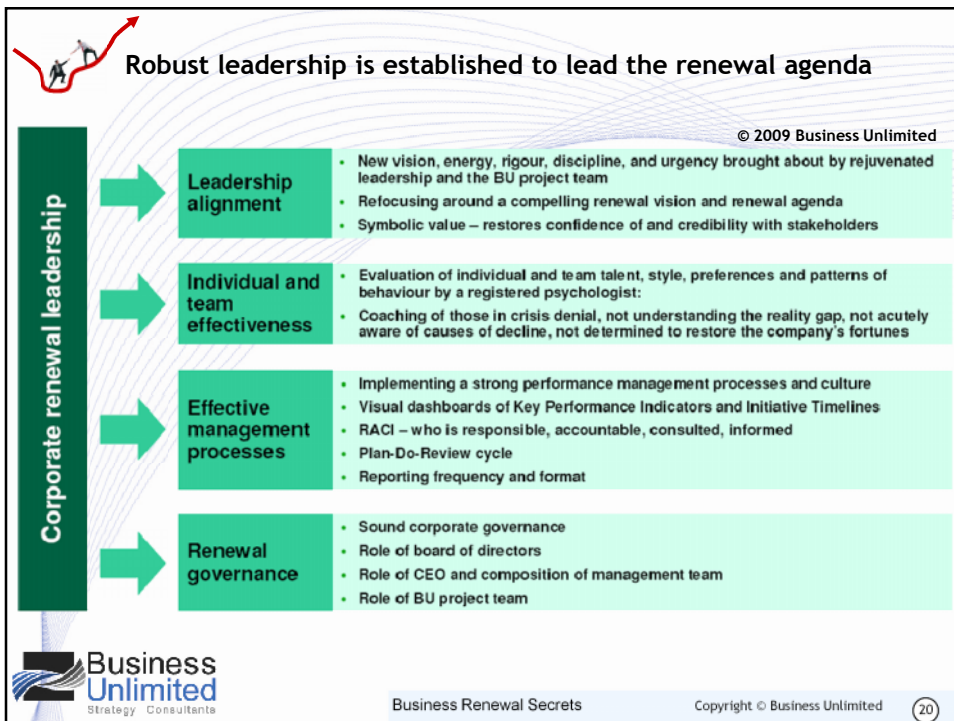
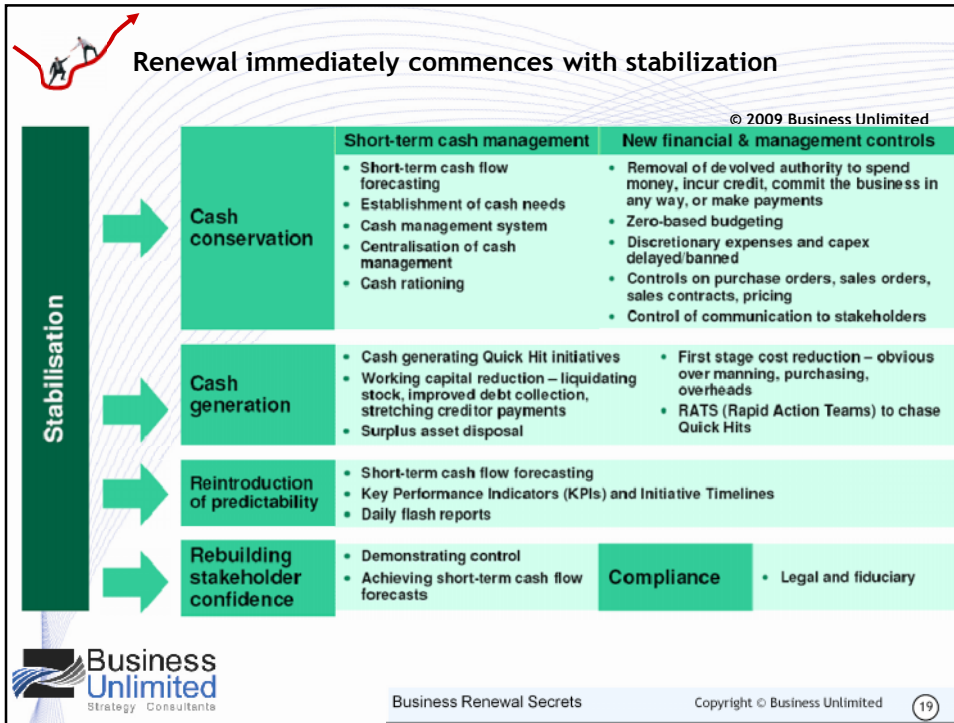
BU corporate renewal model modules:

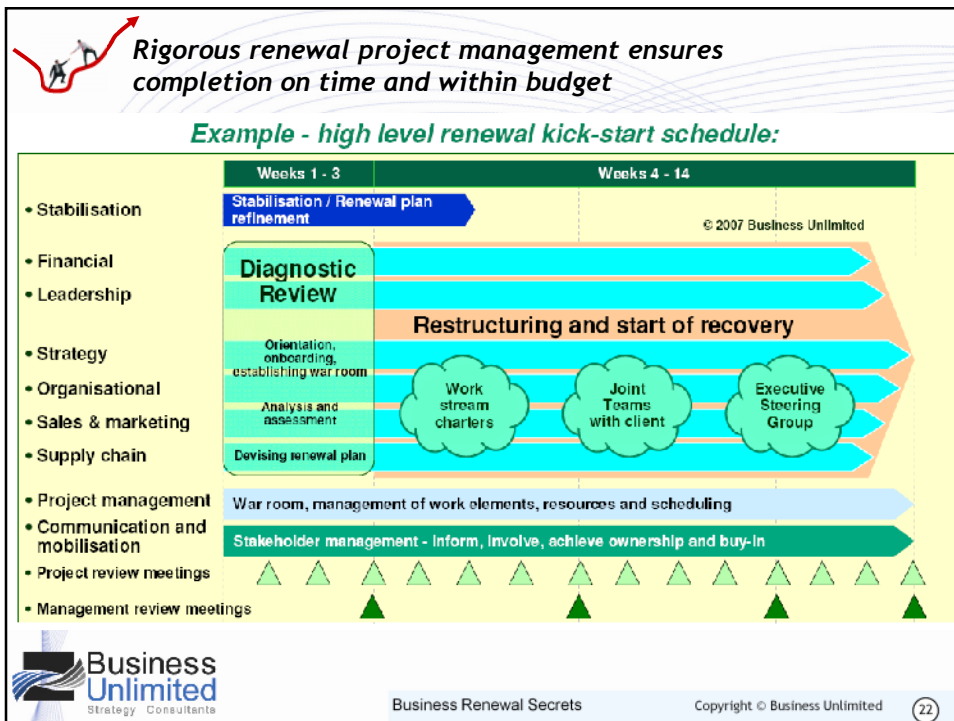
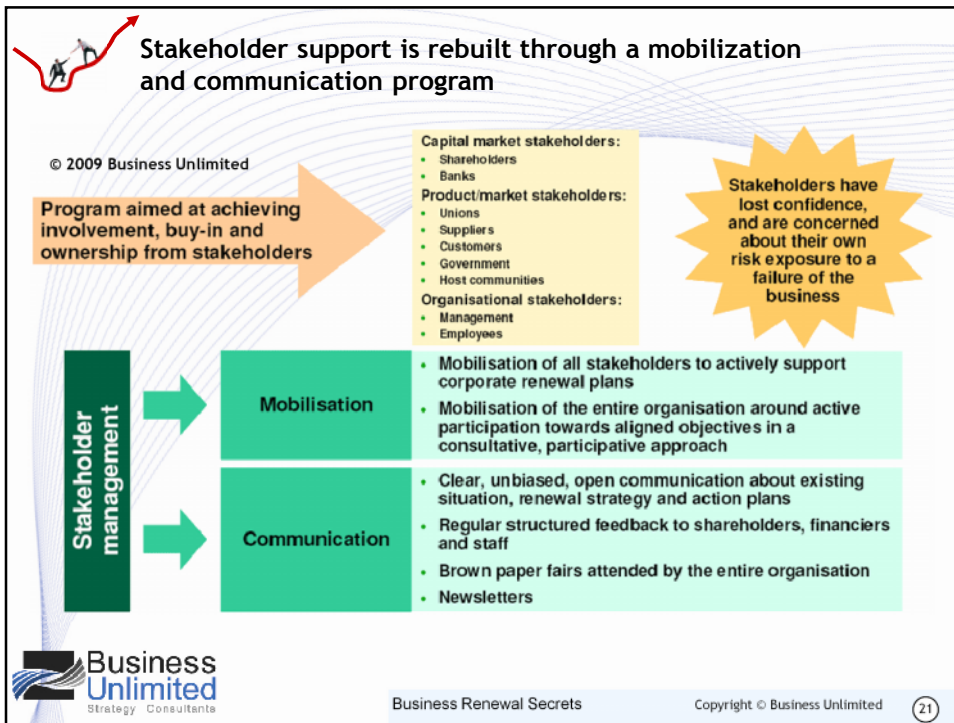
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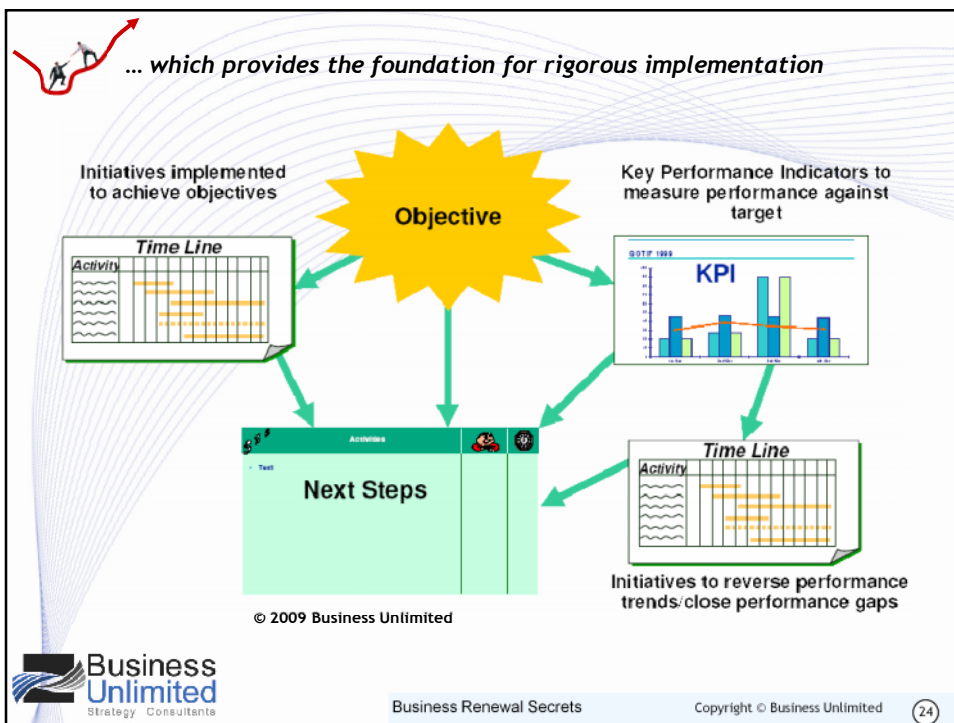
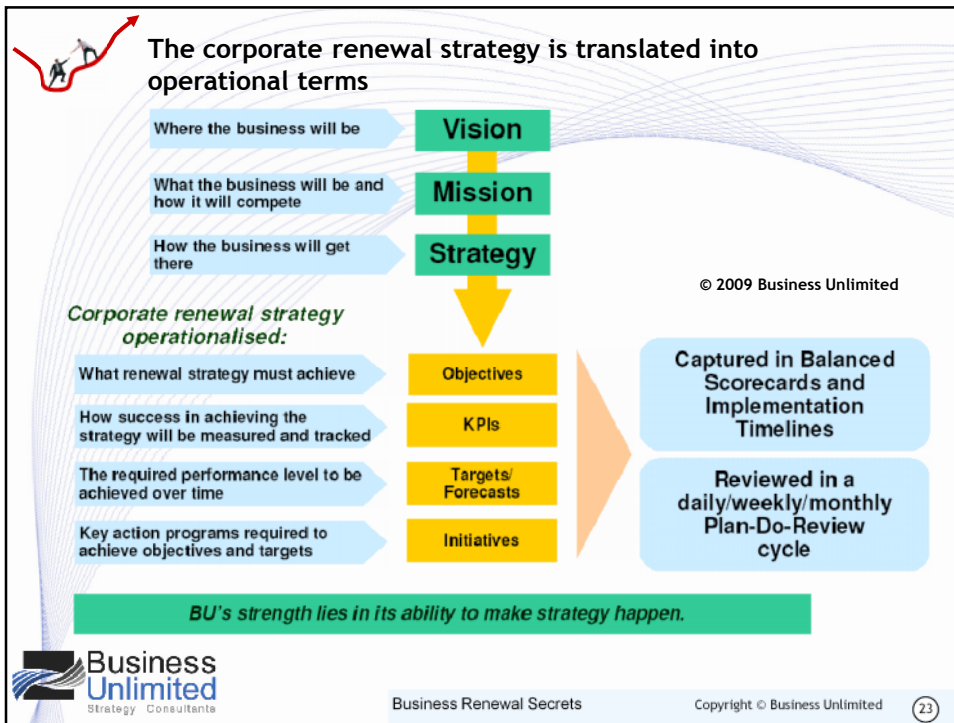
We employ tried-and-tested toolkits and methodologies for every block in the renewal model.


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 **Performance against plan is visually tracked and monitored**

Performance tracking:



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 **The client is actively involved in steering and execution of the renewal project**

Client

- Project Sponsor
- Work Stream Sponsors
- Executive Steering Group

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Joint Project Team	
BU	Client
<ul style="list-style-type: none"> • Project manager • Stream leads • Consultants 	<ul style="list-style-type: none"> • Joint project manager • Joint team members (fulltime or part-time)

Process Analysis
Solutions development
Project management

Company knowledge
Content
Opens doors
Skills transfer
Sustainability

The rest of the organisation are involved through focus groups, workshops and work teams.

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Our past corporate renewal/turnaround projects span various industries, with clients ranging from \$5m to \$5bn p.a. turnover

- Distressed services company –\$ 50m turnover
- Distressed listed IT company -\$ 40m p.a. turnover
- Distressed government subsidiary -\$400m p.a. turnover
- Distressed FMCG company -\$1bn p.a. turnover
- Distressed agribusiness -\$5bn p.a. turnover
- Distressed FMCG business (2) -\$100m p.a. turnover
- Distressed FMCG business (3) -\$20m p.a. turnover
- Underperforming chemical products business -\$400m p.a. turnover
- Distressed USA joint venture chemical product business
- Underperforming USA operations of a leading international electronics firm
- Distressed foreign diversified group based in 4 countries
- Underperforming forest products business

In addition, we have conducted numerous viability assessments/turnaround plans for troubled companies and their banks.

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Case Study 1: Turnaround sponsored by the distressed business' holding company

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The issue	Intervention	Results
<ul style="list-style-type: none"> • \$400m turnover FMCG business • Subsidiary of a major industrial concern • Unprofitable for 8 years • Holding company wanted an end to funding losses • New MD appointed (internal promotion) 	<ul style="list-style-type: none"> • Leadership: <ul style="list-style-type: none"> – Deputy Chairman – Interim Deputy MD – Interim Marketing Manager • Support: 8-person consulting project team for 7 months • Stabilization: quick hits e.g. repricing and cost reduction • Funding: holding company • Renewal: <ul style="list-style-type: none"> – Closed head office – Reconstituted management team – Focused on leadership, competitive strategy, and sales & marketing 	<ul style="list-style-type: none"> • Profitable within 2 months • Switched from \$2m loss to \$1m profit per month • 1st quarter profit for the first time in history • Profit improvement of \$22,5m in 1st year • Gained 10% market share in 7 months • Fees recovered in 6 months

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Case Study 2: Turnaround Kick-Start financed by a bank

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The issue	Intervention	Results
<ul style="list-style-type: none"> • \$100m turnover security products company • Posted \$18m loss • Simultaneously approached by company and bank • Bank foreclosing, but decided to finance a turnaround following our Diagnostic Review 	<ul style="list-style-type: none"> • Leadership: <ul style="list-style-type: none"> – Dr. Hajje replaced CEO – Replaced MD and Manufacturing Director with interim managers • Support: 6-person consulting project team for 8 months • Stabilisation: cash management, new controls, working capital reduction • Funding: Company's bank, World Competitiveness Fund • Renewal: Total overhaul of the business 	<ul style="list-style-type: none"> • Profitable & positive cash flow from month 6 onwards • Overdraft decreased by 55% over 9 months • Fees recovered in 6 months' time • 700 jobs saved • Company sold after 1 year for \$45m • Bank recovered its full exposure • Shareholders received \$19m

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Benefits of using Business Unlimited

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BU benefits

- Rapid and accurate assessment of corporate renewal viability
- If viable, formulation of a robust, achievable corporate renewal plan
- Sustainable results in management, strategy and operations:
 - Potent blend of management consulting and joint implementation with client
 - Robust leadership providing impetus for rapid and sustainable change
 - Achieving a radical mindset change in the organization
 - Mobilising stakeholders around aligned objectives
 - Rigorous performance management
 - Transparency and effective stakeholder communication
- Results-driven – willing to working on a risk basis

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Successful Business Renewal Secrets HOW CAN WE HELP YOU SUCCEED?

To find out how Business Unlimited can help you renew your business health, contact us:

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