BROGGINI CONSULTING
MILANO-MADRID-SAO PAULO

Restructuring Process for an Equipment Manufacturer

- **Background**: A **pan-European Private Equity** fund was controlling an industrial group with branches in 15 countries, including Spain
  - The global market downturn as well as refinancing requirements urged the group to implement a Restructuring Plan developed by an international turnaround consultancy

- **Assignment**: during a six month assignment, BCS carried out and implemented the restructuring objectives and measures in the Spanish branch. The main tasks were structured around a few areas:
  - **Working Capital Improvement**, through an analysis and reduction of the inventories, a close monitoring of the accounts receivables and the implementation of additional optimization measures
  - **Cost Reduction**, with the implementation and control of the approved cost reduction measures, the renegotiation of existing contracts (lease, car renting, etc.) and targeted FTE reductions
  - **Budget and Operational Improvements**, through a complete revision of the operating structure of the branch, the development of a new organization model and the formulation of a budget in line with different revenue scenarios
  - Along the entire project, BCS performed numerous **Project Office** tasks to ensure that milestones were met on time and to guarantee a constant and fluid communication between the branch and the HQ

- **Result**: during the deployment period, BCS advised the group management and supported the implementation of the Restructuring Plan in Spain with the following results:
  - **45% stock reduction**, with a € 1 million impact on working capital plus the associated savings (renting space, equipment …)
  - **Cost reduction goals achieved with a 5% deviation** from the original objectives
  - **Additional cost reduction measures achieved, with a € 500k impact** on the cost structure (including HR) for the following planning period