



## Welcome...

When my father, Charles A. Beane, founded Beane Associates, Inc. in 1984, he did so because he wanted to share what he had learned in his years as a successful executive — and to help businesses in trouble find the pathway to survival, and to profitability.



For 25 years, we've held true to my father's mission, and finding that our work is every bit as rewarding to us as it has been to him.

Rescuing distressed businesses is never easy, and the challenges are especially great in today's turbulent environment.

**25**  
Achieving Excellence  
Since 1984

A silver anniversary is cause for self-congratulation, as 25 years of successful operations is a significant milestone. But it's not necessarily a time for celebration, as so many of our engagements offer examples of how easy it is for a business to slip and fall.

We do, however, take pride in our success, and we're committed to building our reputation for offering business counseling of the highest quality.

We will continue to serve you through this newsletter, and we will soon provide more helpful information through an enhanced web site, [www.beaneassociates.com](http://www.beaneassociates.com)

Thank you for your support over the past 25 years. We look forward to continuing to serve you.

Sincerely,  
Tom Beane, *President CMC CIRAA*

## Beane Welcomes Jim Logue

James F. Logue Jr., who has more than 25 years of experience in corporate finance, mergers and acquisitions and capital sourcing for private and public companies, has joined Beane Associates as a director.

A certified public accountant and former chief financial officer for two corporations, Jim was most recently principal of Innovative Capital Partners, LLC, a boutique investment banking firm in Blue Bell, PA., that specializes in structuring, sourcing and negotiating financing for mid-market privately held companies. He is a graduate of Villanova University.

## A year (or two) unlike any other By Tom Beane

It's a fact of life in turnaround consulting: the stormier the economic climate, the more calls we get from businesses and bankers who need our help.

2008 was a year unlike any most of us have seen in our lifetimes: the real estate bubble burst, the financial markets melted down, and the tremors have reverberated throughout all segments of the economy. Our auto industry remains in turmoil, the banks have not righted themselves. Retail sales are down, unemployment is up, and no sector of the economy has demonstrated immunity to the recent surge in bankruptcy filings. Our new president has asserted that our economy will recover, while reminding all of us that the work that goes into the recovery will not be easy. There is little doubt that we needed an economic stimulus package, yet more than a few experts have questioned whether some of the components of the \$787 billion plan approved in February will be effective. And the President has vowed that he'll fix or discard any of the pieces that aren't working.

Noting how all of these different scenarios for financial distress have come into play simultaneously, one Delaware bankruptcy attorney described the situation as "a perfect storm."

For 2009, we look for more of the same. While there's ample reason to believe conditions will improve, it's just as reasonable to believe that we haven't hit the bottom yet.

In the past year we have witnessed many businesses hurting because the recession arrived before they could solidify gains achieved during a period of expansion. Others find themselves in danger because the working capital they need to pay their bills is no longer



available. And then there are the companies whose business model is not working, either because it's inherently flawed or because top management isn't making the right decisions.

We hope those descriptions don't fit your business or, if you recognize any of the warning signs, that you realize that it's time to regain your footing. Regardless of your situation, you now have an opportunity to take stock — to assess where you are now, and to consider where you want to be.

Use this slowdown to reflect on how your business and your industry will change when the recovery takes hold. When the recession ends, the businesses that will thrive will be those that develop a plan to prosper and have the cash to take advantage of the opportunities that are sure to be readily available.

While this is a time for caution, it is also a time to anticipate change. The fear of failure is real, but we cannot let such fears control our decisions.

To read more, go to:  
<http://www.beaneassociates.com/newsletters.asp>

## Packaged Foods

**Situation:** A \$10 million producer of packaged food items for resale in large retail outlets was asked by the secured lender to review hiring a turnaround consultant and provide an exit strategy for the bank within three months.

**Result:** The company hired Beane Associates Inc. to assist with stabilization and building a new foundation. Our turnaround team quickly went to work, reviewing all

aspects of the business while instituting and maintaining cash controls which led to improved overall business practices. The analysis we provided on gross margins — something never completed before by this company — allowed for stronger decision-making by the owners. Beane Associates assisted with the completion of the forbearance agreement and our financing division was retained to refinance.



## Varnish/Stain Manufacturer



**Situation:** A \$5 million manufacturer of varnishes and stain for the furniture industry was significantly impacted by the housing crisis, the economy of 2008 and the increased competitiveness of their business. The secured lender asked the principals to seek alternative financing.

**Result:** Beane Associates was retained for refinancing the debt and within two weeks had secured multiple options. The secured lender was taken out in whole and the company was provided with sufficient funds availability to remain competitive in a difficult marketplace.

## Automotive Supplies

**Situation:** A \$30 million full-service packager and blender of automotive and household products as well as high-quality automotive lubricants and oil additives selling through large automotive retail outlets was undergoing significant stress due to management changes, acquisition of similar companies and regulatory issues associated with their public offering of stock.

**Result:** Beane Associates was retained by the secured lender to provide a structured Business Overview.

Interviews were conducted of management personnel at multiple locations to obtain valuable information on the status of inventory and accounts receivable. A thorough analysis of these assets led to the completion of a liquidation analysis, which provided the secured lender with confidence as to the ongoing direction and strategy for offering credit. Continued visits have allowed for close monitoring of the company assets.



## Home Heating Oil



**Situation:** A heating oil company with \$3 million in annual revenues specializing in home and commercial delivery of oil was undergoing significant cash-management problems and was hobbled by an ongoing dispute over the transfer of ownership. The rising cost of oil had left this business unable to manage day-to-day operations profitably.

**Result:** The secured lender retained Beane Associates Inc. (BAI) to complete our structured BAI Business Overview. We also worked to determine a business valuation so the secured lender could make a valid comparison should a competitive offer be presented for the sale of the business. The information provided to the secured lender assisted with the formation of an ongoing forbearance agreement and the eventual restructuring for the company.

## About Beane Associates, Inc.



Founded in 1984, Beane Associates, Inc. continues to build an impressive track record in helping private and publicly owned companies improve operational effectiveness and profitability during a time of financial challenge. The company has offices in Wilmington, DE, Charlotte, NC, and Atlanta, GA.