



## Welcome...

While all of us keep waiting for strong evidence that the economy will turn around, we at Beane Associates, Inc. continue to do what we know best — turning around businesses, one company at a time. 2009 was an exceptionally busy year for us.



In this newsletter, we offer examples of some of our best work of the previous year. You'll see that we took on a wide range of assignments in a cross-section of industries.

Also this month, we offer you some brief tips — ideas that could help your business avoid the problems that have tripped up some of our clients.

**We've outgrown our current location and, as of April 1, we will be moving to a new facility. The phone number and email address remain the same. Our new address is: 22 The Commons • 3518 Silverside Road • Wilmington, DE 19810-4907. Our phone number is 302-479-5438; the fax number is 302-479-5434.**

For additional information on us, visit [www.beaneassociates.com](http://www.beaneassociates.com)

Sincerely,  
Tom Beane, President CMC CIRA

## Tips for a tight economy

**Run a tight ship.** Control expenses. Increase collections. Put off all discretionary expenditures.

**Renegotiate deals with suppliers.** If you can arrange for a lower cost on goods or extend your payment terms, you'll have less need to borrow, and you'll be able to increase your profit margins.

**Take stock of all new clients.** Prepare an application that asks for the legal and DBA names of the business, the client's bank, names of the principals (if it's a corporation or partnership), address, phone number and website, and the business tax ID number. Having this information helps with collection efforts.

**Move ahead on contingency and scenario planning.** With your team, make a list of the five worst things that could happen to your company in the next 12 months. Look at it from both macro and micro levels. Have plans of action to cover every item on the list.

**Don't lower prices, add value.** Lowering your price tends to hurt your brand and makes it difficult to raise prices later. Instead, create a new value proposition that makes your prices appear lower. Recognize that consumers are spending less. Make it appealing for them to spend some of their money on your product or service.

**Make use of your peers.** Talk to or meet with other business owners in your industry. Share fresh ideas and new perspectives.

**Keep your best talent.** Make sure your key players are fully informed. Get everyone on the team involved and focused.

## Screen Manufacturer: Turnaround



**Situation:** A \$100 million manufacturer of screen products sold internationally for the OEM industrial market and for large retail outlets was asked by their secured lending group to hire a turnaround consultant and provide a restructuring plan to restore profitability.

**Result:** The company hired Beane Associates, Inc. to assist in restructuring, reducing overall costs and building a business plan. Our team reviewed all aspects of the business, toured all facilities, instituted cash controls, and made 51 recommendations which led to improved overall business practices. Our complete business analysis led to plant consolidations and to a restructuring which prepared the company for its sale or merger.

## Marine Products Importer: Turnaround

**Situation:** A small importer of marine products to boating retailers and consumers was experiencing difficulty remaining a viable player in the marketplace due to U.S. and global economic conditions.

**Result:** Beane Associates, Inc. was hired to assist in the turnaround plan and in negotiations with the secured lender. By utilizing Beane's True Cash Flow model, establishing a formal creditor payment plan and implementing cost controls, the company was able to outperform projections and maintain a stable and positive banking relationship. The firm has returned to profitability and is continuing to make changes to maintain long-term viability.



**Golf Course: Receivership**

**Situation:** An exclusive public golf course and training facility, once nationally ranked in the top 100, expanded with the construction of a premier clubhouse, lounge and restaurant. The operation was unable to manage its acquired burdens or sufficiently plan and account for continued defaults and losses. In addition to its financial distress, the business suffered from sustained neglect. It lost credibility, key personnel left and the condition of the golf course deteriorated.

**Result:** Beane Associates, Inc. was appointed receiver to take possession, manage, operate and maintain all assets of the course. Numerous claims against assets combined with disgruntled personnel resulted in immediate securing of the facilities, inventory reconciliations and establishing operational arrangements to stem further decline in the condition of the golf course. Uncontested assets were returned to owners and turnkey grounds operations and security were established, making possible a successful sale and transfer of ownership on schedule and under budget.

**Specialty Manufacturer: Advisory**

**Situation:** A large private equity group from the Midwest hired Beane Associates, Inc. to assist a portfolio company with resolving working capital issues for a \$300 million maker/installer of steel racking systems.

**Result:** Beane Associates assessed management's cash planning tools and identified weaknesses within its model. We also proposed various courses of action in detailed fashion to improve efficiency of working capital, including leveraging a previously untapped asset.

**Textile Manufacturer: Refinancing**

**Situation:** A family-owned manufacturer of textile products, including bedding, t-shirts and fabrics, was providing inaccurate projections to the secured lender whose confidence had been waning.

**Result:** Beane Associates, Inc. was retained to evaluate the turnaround plan, interview key personnel and facilitate refinancing. A collateral audit was conducted. Information gained through on-site interviews formed the basis for a detailed offering memorandum. We assisted management with the choice of an appropriate lender and debt restructure, resulting in a successful refinance of the company's debt.

**Construction Equipment Rental: Advisory**

**Situation:** A \$12 million distributor who rented and sold high-end construction equipment was experiencing decreasing sales and a vanishing customer base. The secured lender was concerned about the viability of ongoing operations.

**Result:** The secured lender retained Beane Associates, Inc. to provide our structured BAI Business Overview. Interviews revealed numerous changes within the management structure of the company, resulting in severely decreasing sales and eroding profits. The overview assisted with the formation of an ongoing forbearance agreement. Regularly scheduled visits were continued to ensure stability.

**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, and Atlanta, GA.