

When a turnaround situation calls for top-line sales, marketing, or sales-force effectiveness to maximize success, a partnership between your firm and MRA can enhance the underlying financial advice, and be the difference between winning and losing the pitch. In addition, MRA can also be the differentiating factor in helping companies, their PE sponsors, lenders and financial advisors to maximize value.

MRA does not market directly to companies; we are a resource to their financial advisors, from the initial pitch through the turnaround. MRA helps turnaround firms to close, and then to develop cases – ranging from basic sales and marketing assessments into multi-year, multi-consultant engagements.

If your firm is pitching a case that could benefit from improved sales and marketing, please contact MRA to see how we can help your firm to win and then build upon the assignment.

We can help turnaround services with:

- Marketing and Sales Resource Optimization and ROI
- Improving Sales Force Effectiveness
- Identifying Top-Line Opportunities/Risks
- Due Diligence Assessments for Core Competency and Top-Line Potential
- Product and Customer Profitability Analyses
- Marketing and Sales Organizational Design and Evaluation

MRA services for turnaround management firms:

- Pre-pitch Preparation
 - Assistance on the Pitch
 - Initial Client Assessments
 - Implementation Services
 - Material and Plan Development for a Client Sale Process
 - Due Diligence for Refinancing or Acquisition
-

The Win, Win, Win, Win Turnaround Case

Historically, most turnaround cases end up having some winners and some losers. Here's an example of a still-unfolding case with only winners. The winners in this specific case are:

- A US Luxury Consumer Company - the direct Client
- The Client's Lender
- The Turnaround Management Firm (TM) advising the parties
- Michael Roth Advisors (MRA)

The client was asked by its lender to work with a TM firm because it had tripped a covenant on its loan and had lost the lender's confidence. While this is a classic turnaround situation, this client had lost its way not so much because of financial mismanagement, but in large part to marketing, sales and top-line issues. The client interviewed several qualified TM firms and the TM firm that brought MRA to the pitch won the case.

The client is the primary winner in the case. Long a leader in its industry, the company had hit a rough patch over the past few years. Today, with the help of the TM firm and MRA, it is reinvigorated with a new, multi-faceted growth plan that required NO NEW SPENDING. As a result of the new growth plan and the fine work of the TM firm, the client also received an extended forbearance period on its loan.

The second winner in the case is the client's lender – one of the largest financial institutions in the world. Throughout the case, the lender's risk profile has decreased; it has had trusted advisors in place at the client for an extended period, and several interested alternative lenders have been identified to take the original bank out "whole."

The third winner in this case is the TM firm. While the TM firm was already perennially recognized as one of the industry's "finest" management firms, it still found itself in a highly competitive bid process for this case. In the end however, the TM firm won the case not only because of its reputation, but because of the unique, growth-and-value-oriented consulting services it was able to offer through its partnership with MRA. With this win, the TM firm is generating significant revenues as the case has moved into a marketing and sales implementation phase, has burnished its credentials with the lender, and has created another case study of operational turnaround management success.

MRA is the fourth winner in this case. MRA is a growth-oriented consulting practice that builds value through what it calls "Fact-Based Planning." The Fact-Based Planning process has created remarkable results for more than 25 years for companies both large and small, and for both direct and indirect clients. The biggest win for MRA in this case is the knowledge that the fact-based business planning process has again helped a client in trouble to find untapped, profitable growth from its business.

MRA Partnership Success in High Profile Middle Market Turnaround Cases

In both cases below, the turnaround firm pitching the case won it because of the unique marketing and sales consulting services it offered with its partnership with MRA.



A consortium of lenders asked O-Cedar and its private equity sponsor to work with a TM firm to stabilize sales and improve profits to come into conformity on its loans. O-Cedar's issues were primarily related to poor top-line results, inefficient operations management, and a perceived lack of efficiencies in the sales, marketing and operations teams.

The case was initially forecasted to be 4-5 weeks for 3-4 consultants. However, impressed by the initial assessment, the PE firm asked MRA and the TM firm to implement their recommendations. The case ultimately lasted a year, and was for a while staffed by six turnaround managers simultaneously.

While the keys to the TM firm winning the case were its reputation with the lender group and its partnership with MRA, the essential element in extending the project into a year-long case was the plan developed by MRA. That plan – entirely funded from existing resources – generated:

- Millions of dollars in new product opportunities
- An improved promotion plan that achieved greater results with \$2 million in less spending
- A new sales bonus plan that drove improved performance against stated sales objectives

In the end, several of O-Cedar's competitors took note of their success and one of them bought O-Cedar for a premium over expectations.



MRA helped its partner TM firm to win a pitch process that included close to 20 competing TM firms. Within just a few weeks of starting the case, a sales and marketing plan was written by MRA and endorsed by the company's board, PE sponsor, and lenders. This plan eventually brought in more than \$2 million in new monthly top-line sales, and impressive bottom-line profits. The cumulative results from that work have been worth at least \$100 million in profit for the company.

The results realized from Marcal's marketing and sales efforts did not require any incremental funding. MRA found that Marcal's position with its own trade partners could be better leveraged for price and promotion give-backs, and that the sales force could much better focus on more profitable products and distribution outlets.

The results of the MRA and TM firm plans changed a 5 week project into a nearly 2 year implementation engagement that at one point had ten full-time consultants working simultaneously on the project.

MRA Turnaround Management Experience

MRA partnerships with TM firms have been across a wide spectrum of clients and industries. The common elements of all cases were that there were sales force effectiveness, top-line and/or other strategic management issues and opportunities at the client. MRA turnaround clients included:

- \$45 million private label supplier of intimate apparel
 - \$25 million precision plastic mold manufacturers
 - \$35 million home furnishing importer, manufacturer and retailer
 - \$2 million multi-venue entertainment company
 - \$20 million designer, manufacturer and distributor of high end fabrics, wall coverings, lighting & furniture

 - \$125 million retail display manufacturer
 - \$35 million promotional management company
 - \$2 million corrugated box manufacturer
 - \$300 million contract packaging manufacturer.
 - \$30 million manufacturer of nutritional supplements

 - \$45 million manufacturer of specialty chemicals
 - \$5 million manufacturer of blood oxygenation products
 - \$50 million US based manufacturer of textiles
 - \$42 million distributor of office furniture
 - \$750 million timber trading company

 - \$15 million manufacturer of high tech switches
 - \$50 million manufacturer of household products
 - \$12 million business services company
 - \$30 million manufacturer of stationery products
 - \$27 million manufacturer of household cleaning products

 - \$18 million publisher
 - \$100 million direct mail company
 - \$95 million manufacturer of farm equipment
 - \$33 million manufacturer of inter-active in-store displays
 - \$15 million manufacturer of golf apparel

 - \$275 million “for profit” university
 - \$250 million petroleum and household services company
 - \$25 million manufacturer of fabricated steel products
 - \$75 million chain of quick serve restaurants
 - \$35 million jewelry company
-

MRA Non-Turnaround Work

MRA non-turnaround work has yielded significant results for several large consumer goods manufacturers, marketers and retailers. MRA's core competency is that it is able to find top-line, growth related value where others cannot. Prior MRA non-turnaround case results include:



\$500 million in new sales generated by new product opportunities identified through consumer and trade insights



\$20 million in new sales and cost reductions generated by promotional effectiveness programs, new products, category management and consultant management



\$100 million in new sales driven by a revamped consumer loyalty program. Same stores sales went from an industry worst to an industry best in just 18 months



\$10 million in new sales within Duane Reade Drug store from successfully planned and implemented category management and promotional efforts



Record sales results on the Company's Dr. Scholl's brand behind a category management initiative with retail partners



\$40 million in new product and promotion sales. Improved division wide promotion results with \$3 million in lowered spending. First increase in haircare sales in 10 years



\$3 million in new haircare sales - 1st growth in 3 years.
First growth for glove brand in 10 years.



Michael Roth

Michael Roth founded Michael Roth Advisors (MRA) in September 2011, to offer his 25 years of experience as a trusted advisor to clients both direct and indirect. MRA provides clients with expertise in marketing and sales, both in turnaround management situations and in generating value for middle market companies.

MRA Advisory services that most companies use to help them to maximize value include:

- Marketing and Sales Resource Optimization and ROI
- Improving Sales Force Effectiveness
- Identifying Top-Line Opportunities/Risks
- Due Diligence Assessments for Core Competency and Top-Line Potential
- Product and Customer Profitability Analyses
- Marketing and Sales Organizational Design and Evaluation

For the last 12+ years Michael has been affiliated with Getzler Henrich & Associates (GH&A). As a Managing Director for the firm, Michael was trusted by many private clients to find value in a broad swath of middle market industries. Just some of the industries served with GH&A include housing, manufacturing, business services, restaurants, agriculture and of course consumer products.

GH&A is perennially recognized as one of the “Finest” consulting firms in the turnaround industry (by the TMA) and GH&A is still a client of MRA.

Before joining GH&A, Michael Roth delivered value for many years in the consumer products industry. In his last role as Director of Business Strategy for a division of Pfizer, Michael helped lead the company to tens of millions in new sales for brands including Halls, Dentyne and Trident. Before Pfizer Michael helped both Revlon and Playtex to realize unexpected growth in many different brands and in many different leadership roles he served.

Between Revlon and Playtex Michael also worked as a consultant for clients that included Kraft, Schering-Plough, Revlon and others.

Michael has an MBA in marketing from NYU - Stern and a BA from Yeshiva University.