

CASE STUDY



FINANCE & ACCOUNTING REALIGNMENT DOUBLE STOCK PRICE IN 1 YEAR

OVERVIEW

A publicly-traded trucking and logistics company (Client) had grown from a \$30m founder-run privately held company to a \$1.7 billion publicly traded corporation by acquiring 20 best in breed local operating companies across the United States. Following a precipitous drop in the Client's stock price in the first half of 2019, the Client's Board of Directors initiated a major corporate restructuring, including the exit of the CEO, COO, CFO, as well as other executives and a reorganization of the Board itself.

BUSINESS CHALLENGE

The abrupt changes in executive leadership created fear and uncertainty among the remaining Finance & Accounting staff members. The situation was further complicated because, over the past 12 years, no efforts were ever made to integrate the 16 operating companies. They all had their unique processes and systems, and there was no organizational alignment across the companies or with the Corporate organization. The Board felt they were flying blind and had little confidence that the current Finance organization could take the Company to the next level.

SOLUTION

During the first 30 days of the engagement, Bridgepoint Consulting completed a full SWOT analysis of the Finance & Accounting organization focusing on the adequacy of the people, processes, and systems. Bridgepoint Consulting worked to earn the trust and confidence of the Board, the other Executive leaders, and the Finance staff at Corporate and in the Operating Companies. We also worked to gain perspective from other key external parties, including the auditors, banks, and other professional service providers and consultants.

The SWOT analysis output was a “get-well plan,” which the Client’s Board approved, highlighting the critical areas to be addressed over the following six to nine months while the permanent CFO was being recruited.

The “get-well plan” included the restructuring of the Finance & Accounting organization to align roles and responsibilities better, creating greater efficiencies, enhanced controls, and more transparent accountability. Bridgepoint Consulting also re-engineered some of the core processes, including the Capex approval process, annual budgeting process, the month-end close and operational review processes, and introduced a comprehensive cash forecasting process. Bridgepoint Consulting brought in our Risk Management team to help strengthen the SOX control and testing procedures. Bridgepoint Consulting also helped navigate the Company through a complex impairment exercise and a successful carve-out of a non-strategic business unit. Simultaneously, best practices were put in place to ensure the Company was able to meet all critical SEC reporting deadlines and completed the annual audit while eliminating prior material weaknesses.

BUSINESS RESULTS

Bridgepoint Consulting established a competent and scalable Finance & Accounting organization capable of providing the financial information necessary for the Board and Executive Management to run the organization effectively. As a result of the restructuring, the team regained the Board’s credibility and set the stage for a swift and smooth transition over to the new CFO.

Before Bridgepoint Consulting coming on Board, the Client’s stock price was \$2.88. One year later, the stock price has more than doubled to \$5.83.

- ➔ Interim CFO
- ➔ Organizational Realignment
- ➔ Business Process Reengineering
- ➔ Risk Management and SOX Compliance
- ➔ Recruiting and Staffing

ABOUT BRIDGEPOINT CONSULTING

Bridgepoint Consulting, an Addison Group Company, is a leading management consulting firm that offers a full suite of services and solutions to help companies navigate the complexities of growth and change. We work with the C-Suite—with a focus on finance, risk and technology leaders—to provide strategic resources and support critical business transitions.