

# Snapshots

Spring 2019



## ON THE ROAD: SHOTS FROM CURRENT ASSIGNMENTS

### Multi-state



*This health care organization is a multi-state hospital system based in Florida.*

### Northeast



*A specialty grocery chain is being challenged by the "perfect storm."*

### Midwest



*Getzler Henrich's hospital clients can be found all around the country, and are suffering from the country's growing health care crisis.*

### Southeast



*Higher education institutions face almost as many financial challenges as their students; rapidly rising costs are just one factor.*

## ON THE ROAD: SHOTS FROM CURRENT ASSIGNMENTS

### Specialty Grocery Store Chain

Over the last two years, a specialty grocery store with retail and wholesale operations has been expanding into new markets. At the same time, it has experienced new competition in one of its established markets, resulting in unexpected loss of sales and margins. This

"perfect storm" of diminishing sales and increasing investment has caused the company to incur operating losses. The company's senior lender required the company to hire a chief restructuring officer (CRO) to help the business reduce expenses, refinance its debt, and/or sell some or all of the grocery stores. Getzler Henrich was engaged as CRO and is in the process of working with the company to achieve these goals.

### **Health Care Ills in the South**

A southeastern company operating long-term acute-care hospitals was experiencing losses and cashflow issues, the result of losses at one of its five locations and difficulty in collecting its accounts receivable. In response, the company had closed its loss-making location, hired a consultant to assist with managing working capital, and communicated to its constituents that it was in the process of turning around its financial and operating performance.

The company's term-loan lender, seeking an independent assessment of whether or not the company was taking sufficient steps to improve performance, retained Getzler Henrich to review the company's cashflow projection, revenue-cycle management procedures and business plan. Upon being retained, Getzler Henrich quickly determined that the company's cashflow model and forecast could not be relied upon; management had not made much headway in collecting on its past due accounts receivable; the company's information was inaccurate and difficult to obtain due to a botched system integration that had left the company with disparate systems; and the CFO was not capable of providing the leadership required to improve the situation. Upon agreement between the company and the term-loan lender, Getzler Henrich has been charged with developing a robust rolling 13-week cashflow forecast, to be transitioned to the company, and to provide an objective and clear picture of near-term liquidity issues to its parties-in-interest. Subsequently, Getzler Henrich will be reviewing the business plan to determine feasibility, and identify potential mid-and longer-term issues.

### **Northeast College**

A college based in the Northeast was facing financial pressures due to rising costs and declining enrollment; it had come to the conclusion that it would need to wind down operations and transition students to another institution or school. In this context, the college retained Getzler Henrich as chief restructuring officer to provide assistance in transitioning its operations and students, in addressing its secured and unsecured liabilities, and ultimately in winding down operations. Getzler Henrich initially prepared a 13-week cashflow report to provide all stakeholders with an objective view of the school's near-term financial situation, and identify potential funding requirements needed in order to achieve a successful transition. Getzler Henrich is now in the process of implementing the transition plan.

### **Multi-state Hospital System**

A southwestern-based specialty hospital-and-physician group was facing material operational and structural headwinds. The system was burning cash, and was losing market share due to changing market dynamics, key employee turnover, and difficulties with revenue-cycle management. The hospital and physician group's parent organization retained Getzler Henrich to evaluate and manage a wind-down process. Upon arrival at the facility, Getzler Henrich professionals determined that the reporting from management was inaccurate and inadequate; the situation was far more dire than initially described. As a result of these developments, the Getzler Henrich team implemented new cash management processes (including a rolling 13-week cash forecast), developed appropriate wind-down strategies, negotiated with lenders, vendors, and parties-in-interest, orchestrated new opportunities for many employees with in-market competitors, and provided an orderly wind-down of operations.

### **[Ramy Aly joins New York office as Senior Associate](#)**

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Getzler Henrich & Associates is pleased to announce that Ramy Aly has joined the New York office as a senior associate. Ramy brings extensive knowledge and a strong background in financial advisory services, financial modeling, asset-based lending, and public accounting. His exposure to businesses ranging from small to large has enabled him to readily address challenges for a wide range of companies facing complex financial challenges.

Ramy began his career as a financial accountant for Merchant Financial Group, a factoring and asset-based lending firm, where he worked in different areas of the business, and has subsequently held positions at other restructuring firms. He holds a master's degree in business management and a bachelor's degree in accounting from City University of New York. Ramy is also a certified public accountant in the state of New York.

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### **About Getzler Henrich & Associates**

Getzler Henrich & Associates is one of the oldest and most respected names in middle-market corporate restructuring, assisting companies around the world with an approach that emphasizes rapid, pragmatic, decision making and implementation. Over the course of the past fifty years, the firm has developed a strong track record, assisting both underperforming and healthy companies in the middle market. We have a demonstrated ability to generate realistic solutions to challenges confronting businesses or their creditors, and to helping companies improve their operations. To learn more, please visit our website at <https://getzlerhenrich.com>.

### **Kudos**

Co-Chairman [Bill Henrich](#) is being honored by Citizens Committee for New York City at its annual Evening on the Lake Central Park Boathouse fundraiser this fall. For more than four decades, the organization has worked to achieve its mission to help New Yorkers—especially those in low-income areas—come together and improve the quality of life in their neighborhoods.

Additionally, Bill is a co-author, with attorney Leslie Berkoff, of an article to be published this summer by the American Bankruptcy Institute. The article is entitled *Mediating Valuation Disputes*.



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