

Snapshots

Spring 2020



ON THE ROAD: SHOTS FROM CURRENT ASSIGNMENTS

Global Retail and Restaurant Brands



COVID-19 has delivered a crippling blow to restaurants, brick-and-mortar institutions, and brands of all stripes. Some businesses have built successful online extensions, but for others, face-to-face encounters are the essence of their offering.

Northeast



Could you lose half of your business in one fell swoop? Who could have seen it coming? To make it worse, this auto-parts distributor faced a double whammy: customers vanished, and most of the finance staff contracted the virus.

Metro New York



This paper company suffered some setbacks over the last two years, with its largest customer filing for bankruptcy and another significant account wiped out by a fire. The lenders wanted more timely reporting of accounts receivable and payable than its current systems were capable of.

Southwest



This private-equity owned skin-care manufacturer needed a more accurate understanding of customer-level and SKU-level profitability. Its methodology for calculating profitability was outdated and misrepresented actual performance that impacted product strategy, pricing and even the day-to-day management of labor, equipment, and suppliers.

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Retail

Since its founding in 1968, Getzler Henrich has had a strong connection to the retail, food and fashion industries, from the supply chain beginning to the end. Manufacturing and production, warehousing and distribution, transportation, branding, real estate management, and product mix decisions all present familiar challenges. The firm is currently working with more than a dozen well-known brands to manage the myriad struggles created by the Corona virus. Human resource decisions, landlord issues and other brick-and-mortar challenges, the timing of shutdowns and openings, the ins and outs of bankruptcy. With an eye towards tomorrow, these are all issues to be navigated .

Wholesale Paper Distributor

Getzler Henrich was retained to assess the ongoing financial controls, the cash receipts application processes and the company's reporting integrity and efficiency. The company had international affiliates and accurate reporting was an issue. In the previous year, the company had sustained a significant loss for the first time in its history. There was a series of external events including the bankruptcy of its leading customer and a fire at another customer that affected revenues. In addition, there was a deep divide of trust between the bank and the management resulting from an aborted refinancing. The lender insisted on reducing availability and implementing borrower restrictions that management could not sustain. Acting as liaison between the parties, Getzler Henrich managed to gain the credibility of the parties and bridge the divide, creating the time necessary for the company conclude its renewed refinancing attempts. The incumbent lender was repaid in full.

Automotive Parts

When the Covid-19 virus struck, this auto parts wholesaler saw it's revenue decrease by 50%. Deemed an essential business, the company made some tough decisions and furloughed as many employees as possible, while still keeping the business open and operating. Adding to the stress, the CFO and most of the finance department contracted the Covid-19 virus. The company allowed them to work remotely. The senior lender requested a 13-week cash flow and asked the company to engage a consultant to work with them on this. Getzler Henrich (GH) was engaged and, with the CFO, put together a 13-week cash flow to present to the senior lender. GH is now working with the company to prepare a longer term business plan.

Skin Care Manufacturer

A US skin-care products manufacturer needed better and faster insight into the information that could help them make real-time decisions regarding which products to continue selling, and/or temporarily abandon, how to price new products, and how to determine appropriate selling terms. The GHValens data analytics team leveraged the speed and compatibility of Alteryx and Tableau, two leading data analytics software platforms for workflow automation and dashboards, and helped the manufacturer connect, clean, process, and analyze raw data from multiple finance, CRM, ERP and proprietary systems – as well as capture data from manufacturing lines and labor management systems. This initiative transformed the prohibitively long process of collecting, standardizing and analyzing disparate information across many systems, people and locations into a 1-to-2 hour weekly update process for just a few people. Then GHV applied best practice and *LeanSigma* operational know-how to generate metrics, set performance targets, and provide templates for forecasting and scenario-testing and presentation. The reports and analytics became a critical component of the company's ability to meet customer demand, service levels, and financial performance.

Notes



Oil & Gas: Lenders, stakeholders and new owners need a clear understanding of what assets should be kept operating vs. what production sites should be shut down immediately. The key to that understanding is a technical review of reserves and cost of production. Getzler Henrich has been instrumental in providing these services to our clients. One of the unique characteristics of Getzler Henrich's practice is the operating

experience brought of Houston-based [Jay Haber](#). For more information, email [Stephan Pinsky](#).



“Waiting for the World to Change”: A Lender Perspective on What’s Next After COVID-19 by William H. Henrich, co-chairman of Getzler Henrich provides insights on how companies and lenders are dealing with the corona virus in [this article](#), which was originally published in the *ABF Journal*.

About the Getzler Henrich Companies

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>

GHValens is an operational and financial advisory firm that provides revenue and margin growth, cost reduction and working-capital services to middle market, privately-held companies. The firm supports stable and growing companies with revenues ranging from \$30M to over \$1B, and provides services focused on increasing value and reducing financial and operational risk. We work with both investors and management teams. To learn more, please visit our website at <https://ghvalens.com>

Kudos

Co-Chairman [Bill Henrich](#) was a featured presenter for a special online program with advice about guiding portfolio companies during Covid-19. The special online program was hosted by PE Professional and Private Equity Career News.

[Luke Andrews](#) was promoted to Director at Getzler Henrich & Associates. Luke joined the firm in 2015, with experience in financial modeling, research, and data analyses, as well as both quantitative and qualitative evaluations of investment opportunity, performance, and risk.

[Charvi Gupta](#) was promoted to Associate Director at Getzler Henrich & Associates. She joined Getzler Henrich in 2018, with over five years of experience across M&A and restructuring where she was deeply involved in due diligence, transaction execution, financial modeling and data driven analysis.
