

# CASE STUDY

## Remarkable People

It's who we are and who we aspire to be

### RES Q Limited

Res-Q is a leading sales and service outsourcing business delivering solutions to Utilities, Retail and Telecoms sectors. Employing 600 staff, it has grown rapidly since start-up in 2007.

#### Executive Summary

This leading business suffered not uncommon growth issues and had experienced funding challenges resulting in cash stress impacting on its trading position and required a turnaround focus.

Buchanan Holley was appointed to support the business and deliver a solution in conjunction with the incumbent management team.

#### Challenges

- Significant cash pressure
- Legacy debt issues
- Corporate structure complexity
- Financing scope restricted while being undercapitalized
- Lacking financial management
- Strong operational management frustrated by other weaknesses
- Legislative environment increasing in the sector as a whole

## Turnaround, Investment and Business Expansion

#### Results and Return on Investment

- ✓ Negotiated an arrangement with creditors to restructure the company successfully allowing a very successful turnaround
- ✓ Exited successfully from a formal pay-down process attracting new growth funding
- ✓ Successful seven figure investment from new investment group underpinning growth and an innovative ICT technology model supporting scaling up
- ✓ Business post turnaround delivered a significant £1m+ EBITDA result within eighteen months
- ✓ Secured a substantial growth grant for expansion into a second new flagship site
- ✓ Shareholder value secured and significantly increased while all stakeholders benefiting from the enhanced business performance

#### Summary

- ✚ The management was focused and deeply experienced, but financial management was weak against a backdrop, undercapitalized
- ✚ In an underfunded business, a deterioration in the trading position (even though a temporary condition) can have a disproportionately adverse impact
- ✚ The Management acted quickly and worked diligently and with robustness supported by an experienced turnaround FD
- ✚ The business is now delivering on its growth strategy, and essential skills are now on board via a full-time FD