

## **CASE Study # 1**

### **Growth in Down Turning Economy**

**\$20 million established heavy equipment manufacturer was in trouble. Sales had fallen from a high of \$20 million to a low of \$6 million due to increased competition from China. This was a “Sales Driven” company who always thought that they could sell their way out of any issue. They were faced with “non-controllable variables:” e.g. “pressure from China!” The Bank was being paid every month and the ownership group couldn’t understand why the bank wanted to call their note because of falling sales and accounts receivable.**

**Braver Business Strategies was called to see how we could help. It was possible to restructure this company to take advantage of the “Spare Parts and Service” portion of the heavy equipment in place. This section of the business operated at a 48% margin and ultimately was “carved” out and run as a separate operating company with a reduced employee force. This entity was sold profitably as an operating company, and the proceeds used to pay off the bank; the ownership made significant money on this transaction. The new entity is a client of Braver Business Strategies and continues to be profitable.**