

Welcome to the June edition of Pilot's Log.



If you have ever spent countless meetings convincing others of the benefits of your sector and services, then you will know where I am coming from. Much like the private equity industry, interim executive placement firms have also gone through their share of education exercises. But unfortunately, private equity tends to do all the explaining. Ninety per cent of all private equity firms have to educate the placement firms with information that we at PILOTpartners already understand. For that very reason, we have taken that time constraint out of our client meetings by specialising in introducing candidates that have already worked for private equity backed businesses.

Different ways of looking at interim management

In addition to traditional uses of interim executives (e.g. FDs or CEOs who go into situations for 6-12 months) there are several others which continue to account for more and more of our specialised business mix.

The Lone Wolf

Among the interim executives most in demand at the moment are independent turnaround, restructuring, and change management specialists. While some PE houses prefer to use turnaround boutiques, many others prefer to use sole operators, or 'lone wolves' if you will. These are very senior and very experienced professionals who are adept at positively impacting the fortunes of portfolio businesses, either using a soft touch to tweak operations, or a heavy hand if the business is well off plan, or to manage a full on financial restructuring. Have a look at Mark Taylor's opinion piece in this edition of Pilot's Log.

Interims as NEDs

Another area in which we are increasingly being asked to help is the sourcing of non-executive directors. Our most senior independent executives, particularly those who have already gone 'plural', make very compelling candidates to round out portfolio company boards. It is no surprise that a quick way to add some stability to a company is by adding a very seasoned and steady handed non-exec.

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The Pilot's Log Q&A with Albert Stein

In light of some highly publicised debt restructurings and rights issues, [Albert Stein](#), managing director of debt advisory business, MPC Longberry gives us his take on how debt restructuring has changed since the last recession; successful cram downs; talent in the restructuring sector; timing covenant resets with banks; and how doing several restructurings versus just one solid one can cost a company millions. [Page 2](#)



2nd installment of our DACH Review

There are two factors that appear to be driving private equity business on the continent. One is substantial capital reserves to safeguard their existing portfolio companies and enter into new engagements and two, the increasing number of privately owned businesses that require re-structuring. [Pieter Kraan](#) reports. [Page 4](#)



Holistic approach to working capital

Working capital management is viewed as a core area for classic private equity investors and for turnaround situations. [Igor Zax](#), CFA and interim corporate restructuring consultant, provides us with some tested operational lessons for both investment segments and advises firms to take a more holistic approach to working capital to keep investments stable and on track. [Page 6](#)



The Lone Wolf

If you have never had to consider hiring a turnaround executive up until now, then we can assume you must be doing something right. But in the current downturn, there are external factors that even the most seasoned private equity investors cannot tackle alone. That is why we have asked [Mark Taylor](#), to highlight the characteristics private equity investors should expect from turnaround directors from day one. [Page 8](#)



The Pilot's Log Q&A with Albert Stein

In light of some highly publicised debt restructurings and rights issues, Katherine Steiner-Dicks speaks to Albert Stein, managing director of debt advisory business, MPC Longberry. Albert gives us his take on how debt restructuring has changed since the last recession. He also talks about successful cram downs; the need for consistent talent in the restructuring sector; how private equity firms are mistiming their covenant resets with banks; and how doing several restructurings versus just one solid one can cost a company millions.

Given the pressure banks are under themselves, are many private equity firms and their portfolio companies holding out on debt restructuring? How realistic of an option is this?

For many portfolio companies, not restructuring is not a realistic option. Many private equity firms are coming to debt restructuring late in the game. This is perhaps because the covenant holidays that they negotiated in the past are now exacerbating the problem. Some firms are under the impression that they do not need help. But going to the banks to change warrants or covenant resets is all about timing and market knowledge.

When should a company go to their bank to discuss covenant resets or warrants?

A company should only go to a bank to discuss changes when they really need to. But it also depends on how much the board of directors can stomach running close to the line with creditors. If directors can't stomach being in breach, then they are likely to want to change covenants.

We've known of companies that have called up their banks informing them that they think they may have difficulties meeting their covenants in advance. And in these cases, the banks were all too happy to increase cash margins and fees, even when there were no valid signs that the company was actually going to be in breach. But what I will say is that you want to avoid going too early... or too late.

When private equity firms or their portfolio companies come to you, what are their major concerns in the current climate?

It depends on whether the company is already underwater or if there is a liquidity need. If the value breaks within the debt structure then private equity firms need to know if banks will be able to feed in more capital. If not, there may be an opportunity for a sponsor-led cramdown.

A couple of years ago, a few private equity firms were successful in cramming down creditors for a number of reasons. First, there was a burning platform and the sponsors were able to convince the creditors nobody else had the time to do diligence before the company would file and value would be destroyed. Second, the banks were completely unable - for various reasons - to come up with the required liquidity themselves. Third, it wasn't clear that the banks could get a better recovery under their own stewardship - they might not have had management or it was clear they would not have been able to co-exist as owners.

That's passed now. Liquidity panics are being met more level headedly by the accountants doing the IBR, and the creditors usually have sufficient time to put together a counterproposal. It's not always easy to get a counterparty accepted by a sufficient number of lenders, in which case the sponsor will have a second bite at the apple.

So, we've seen the tide turn from the successful cramdowns like 20/20 to the ones that were decidedly less successful, like IMO Car Wash. Somewhere in the middle we'll find Sanitec and the developing situation at Monier. But in all situations, the PE firm has to realise that unless they are willing to follow their investment with fresh money, it's not likely that they'll be a player in the restructuring.

Given the current recession is a unique one to those of the past, how well equipped are most FDs in negotiating more flexible repayment terms? And those representing international syndicates?

If it's a simple deal involving a company and four to five club banks then a FD can generally come to a conclusion to defer instalments, if that's all the liquidity needs require. If the banks want to demonstrate a value break within the debt and/or the creditors want control of the company, it becomes a lot more complicated. Even experienced FDs are finding this recession a little more unusual, since the banks themselves are constrained in fresh lending in distressed situations.

When it involves complex restructurings which include various tranches of security interests in different jurisdictions then the negotiations will become a full-time job. This could go on for a few months to even a year. But if the process is not done well the first time it will bite the FD right back.

Many private equity firms will go to Rothschild and Lazard because they have spent centuries building up their name. But the industry, in general, needs a more consistent level of restructuring professionals; not re-sprayed M&A or Lev Fin or Debt Capital Market bankers with little track record for restructuring complex deals.

Our restructuring experts have done this type of work all their lives. And while we can pitch certain industries, companies have come to learn that sector expertise is less important than understanding debt and restructuring. Plus, there should be sector expertise in the company already.

On the creditor side there are just a few banks, mostly money centre UK banks, that have deep experienced workout teams. As much as companies abhor paying steering company fees and/or creditor side advisory fees, it's often good value to ensure you have someone on the other side of the table who can sensibly represent their side and get consensus.

Should a company prepare itself before it discusses resets?

Yes, it needs to have clarity and realism about their business plan and prospects. Denial will make things worse later on, unless the market miraculously recovers... and I don't see that happening in today's economic environment. They should pick up the phone and talk with a restructuring advisor about their current debt structure and their creditors, since all are equally important when developing an overall plan.

It's not always critical that they hire an accounting firm to undertake an IBR; if the company can get the confidence of their creditors that their business plan is reasonable they can save a tidy 7 figure sum.

How well are banks siding with your line of thinking when it comes to discussing covenant resets?

Some banks are more flexible than others. Some see it as an opportunity to re-price loans they shouldn't have given out at those rates in the first place, and some see it as an opportunity to deliver a long term fix which preserves value for their institutions.

The problem is that there are a number of side agendas today. Some banks are privately saying to us that they'd rather not cut deeply today, since they can't afford to take a hit in today's environment. (As a cynical aside, I wonder whether it's the relationship manager whose bonus pool can't afford the hit.) And there are some CLOs and CDOs who can't afford to take big write downs and assume equity positions because of their by-laws.

How can companies avoid paying more cash margins or fees to banks when they are in financial or commercial difficulty?

I don't want to sound like Nancy Reagan here, but quite

often the answer is 'Just Say No'. However, there are a few qualifiers here. First, it depends also on how well of a relationship you need to maintain with your bank and the level of fees they plan to charge. Second, it depends on whether you can live with a covenant breach and/or a qualified opinion. Third, it also matters as to the nature of the industry. There are a few industries where the frictional costs of a non-consensual restructuring are huge on the side of the borrower. For example, in the shipping industry it would be a catastrophe if liquidity issues caused ships to be arrested in overseas ports with difficult jurisdictions.

But by and large, it is a discussion between commercial parties and it must involve some sort of compromise. We acted for Mecom, whose CEO, David Montgomery, recently said in a Daily Telegraph article that "Once banks understood they weren't going to solve their problems by mugging corporate Britain, then we were able to go back to a more even relationship." Had the banks not agreed to reasonable terms then there would have not been a rights issue.

Given this is what we do all the time; we know what private companies are paying for covenant resets and faults. We are in the business of tracking the market. We have a good idea whether or not a bank will accept terms based on the loss of value in managing that company themselves going forward.

What are the cost benefits of debt restructurings?

Debt restructurings are all about value preservation. There is no real point to doing a restructuring that winds up overleveraging the company on exit. If it has to be restructured again within a few months then this wasn't done right in the first place. The debt advisory industry is not one that should depend on repeat business.

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MPC Longberry is part of MPC Partners, a UK-based investment and restructuring advisory firm. Established in 1994, the partners have completed over 200 assignments across all industry sectors and on a global scale. Albert and his team specialise in complex financial restructurings involving multiple creditor groups. The firm's partners have been involved in large-scale restructuring for more than 20 years and provide a range of debtor side and creditor side advisory services. Principle services include debtor advisory, creditor advisory and representation, agency services and syndicate leadership and portfolio review.

DACH restructuring and turnaround opportunities favour private equity



By Pieter Kraan, Partner, AC Alpha Management (PILOTpartner's DACH region partner)

There are two factors that appear to be driving private equity business on the continent. One, is that the majority of private equity funds have substantial capital reserves to safeguard their existing portfolio companies; and

more importantly, to enter into new engagements that take advantage of excellent opportunities. And two, is the increasing number of privately owned businesses that require re-structuring. The expertise of private equity firms in this area provides them with a clear advantage as potential suitors, but when it's their portfolio companies that require a new focus, traditional, hands-on management strengths are what could be in fact missing.

In a recent survey, Deutsche Bank's DB-Research predicts that small and mid-sized M&A activity will dominate the coming private equity 'season'. While the driver for profitability through leveraged financing at low interest rates is viewed to be over for the time being, there is a new call for traditional operational and strategic management capability to fix losses from the recession and previous years' excesses. Bringing in such traditional qualities will restore confidence. DB-Research concludes that the core PE business model is sustainable, especially if PE succeeds in mobilising such management capabilities. This however is not the area of expertise of local PE firms in the DACH region (Germany, Austria and Switzerland): Germany only has 5 to 10 turnaround investors, which means only 0.5% (2008) of all private equity investments is flowing into this neglected segment.

As 'classic' firms in the asset class are increasingly exploring this segment, this is bound to change. Present timing is exceptionally favourable for new entrants: valuations have dropped significantly and troubled companies can be acquired at fire-sale prices. Investments of PE funds conducted in the boom years of 2007/2008 are suffering badly from the downturn. Historic price levels, combined with leverage financing, are troubling these funds and their portfolio companies and providing new opportunities for secondary takeovers.

The volatility and uncertainty of the financial markets are fuelling this market opportunity, notwithstanding that turnaround and restructuring plans require fresh capital. The limited availability of bank liquidity for both new deals and to support restructurings is often tied to fresh equity and other restrictive commitments. Cash generation by the sale of (non-operating) assets may very well not be an attractive financial or strategic option under the prevailing conditions.

Opportunities for UK investors in DACH

Compared to frosty conditions on other parts of the continent, Germany and the other DACH countries are interesting targets for UK based funds, especially those specialising in private equity backed restructurings, distressed debt and secondaries.

Of course if a restructuring is not supported by present shareholders or potential investors, a corporate crisis will provoke a quick death. To file for bankruptcy is still seen as 'ultimo ratio' in Germany, but we are seeing an increasing willingness for turnarounds if the process is started at an early stage. Strategic investors are in the market to acquire insolvent/near insolvent, but otherwise interesting, competitors under bargain conditions, i.e. GM Europe/Magna, Karstadt/Metro, Porsche/Qatar.



To be able to navigate the distressed corporate marketplace through stormy waters, local distressed investors typically acquire a majority, if not a 100% shareholding. Besides refinancing, the investment will require the mobilisation of strong operational and strategic management skills, alongside the previous management (if still in place). This is a vital difference to the prevailing local 'growth' investment strategy, which often attracts multiple funds to co-invest

in minority positions relying on a competent management team in place. This is one of the most dominant “killer” or “no-go” criteria for DACH private equity firms to commit to new investments. Therefore, the opportunity for non-DACH distressed investors is the lack of exactly this focus within local PE firms.

The German state of mind

“Mittelstand” (mid-market, predominantly family owned) companies in turnaround mode bear sensible prices. However, UK distressed investors will often have to deal with German shareholders who will have problems departing from their “principles of hope”, instead of exercising sound turnaround common sense. That’s why it may well take an extra effort to convince sellers, who, while waiting, run the risk that their distressed business turns into a hopeless □1 basket-case.

Turnaround & Restructuring Managers in DACH countries

The inherent complexity of distressed investing, together with critical time constraints and gaps in the existing management team, may require teaming up with “hands-on” and experienced interim managers for defined turnaround and restructuring functions. Alpha Management operates in much the same way as PILOTpartners with a pool of independent managers, with sector-based restructuring and turnaround expertise, to deliver the following management functions:

- Pragmatic business analysis to eliminate the reasons for the crisis in the first place; designing the future rationale, business model and action plan
- Filling of management gaps, Alpha/PILOT introduces and provides experienced (interim) CEOs/CFOs/CROs to step into leadership roles from day one
- Immediate cash flow management
- Economic, strategic and operational restructuring
- Regaining credibility and time for recapitalisation to stabilise the balance sheet
- Clear cut target and results oriented progress reporting.

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Taking a holistic approach to working capital

Working capital management is viewed as a core area for classic private equity investors and for turnaround situations. Igor Zax, CFA and interim corporate restructuring consultant, provides us with some tested operational lessons for both investment segments and advises firms to take a more holistic approach to working capital to keep investments stable and on track.

Outsourcing working capital

The idea of collecting money quickly, paying your suppliers late and keeping inventory to a minimum seems quite obvious. However, a management team needs to keep in mind the change in industry structure, where the limits of a company's operations have become fairly fluid, and where the supply chain is more and more important. When both manufacturing (perhaps along with other key services) is outsourced, and multi-tier distribution is in place for a company's products, there is the possibility of shifting both working capital and value up and down the chain. Effectively, working capital financing is outsourced up or down the chain, which means it will need to be viewed and measured as you would when outsourcing any other service.

“In one of my past roles, changing most of the distribution structure in a particular region, a joint project between sales and finance, led not only to a significant reduction of risk and better cash flows, it also led to an almost tenfold increase in sales.”

This has direct implications for the design of the distribution structure. For a company which either has a low marginal cost of capital or is able to obtain low-cost financing for receivables (something that can be restricted or limited by covenants in the case of private equity-owned businesses), providing financing to distributors through longer payment terms or inventory programmes, such as VMI (Vendor Managed Inventory) makes eminent sense, providing the company can effectively manage the resultant credit risk. A company where the opposite applies, should try to “outsource” as much of its financing as possible, as long as it can obtain reasonable terms.

Beyond obvious operational efficiency issues (collection practices, dispute resolution, inventory controls, to name a few) this can be achieved through:

1. The use of financing tools where allowed and efficient;
2. Redesigning the supply chain in distribution, manufacturing or service companies;
3. Changing the product mix;
4. Changing the business model

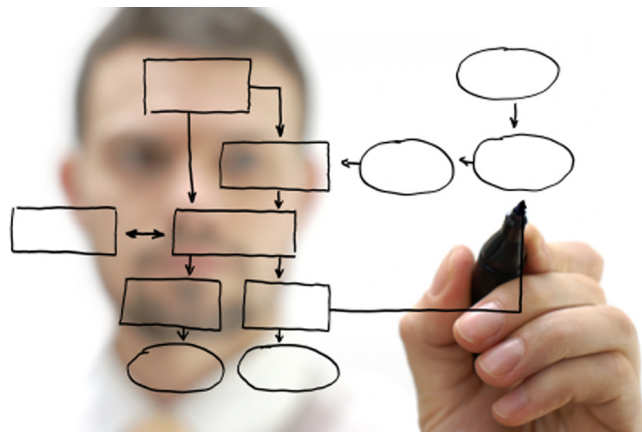
The Use of Financing Tools

The Receivables Book combined with credit insurance, where available, may allow a company to finance itself against these assets at rates far below anything else available at the market. This is especially the case in a low dispute environment, where it is possible to obtain confirmation of contractual performance before the due date. Obviously, one needs to check specific covenants in the loan documentation. Unfortunately, in some cases this involves a level of ambiguity as it is likely that companies, banks or their lawyers thought about it when the documentation was put in place.

The invoice discounting market is also quite fragmented in both players and structures, making it highly beneficial to use experts. In particular, when analysing a company's business and presenting it in a clear and easily understandable way for financial institutions. It is also possible (where there is a spare capacity in either the banking or insurance markets on a company) to offer a similar solution to one's suppliers, thereby relieving pressure on them to offer short payment terms.

Redesigning the Supply Chain

If we consider one of the core functions of a supply chain to be the outsourcing of financing, one needs to select really efficient partners. For most CEOs (or academics like me) the design of the distribution structure is viewed as a marketing question, based solely on the ability to sell product. This however might subsequently become a challenge for credit and collections departments, as to whether they can collect anything and, if so, when.



In one of my past roles, changing most of the distribution structure in a particular region, a joint project between sales and finance, led not only to a significant reduction of risk and better cash flows, it also led to an almost tenfold increase in sales.

In particular, the shape of the distribution structure should depend on ability to finance. If a company has either its own funds or the ability to put together a receivables finance programme, it would be better with direct sales as this leads to substantially lower concentrations, better risk management and easier access to finance. If however, a company does not itself have access to competitively-priced financing, then having a large and well financed distributor (one not constrained by covenants and therefore able to finance its receivables portfolio as and when it wishes) may be a more efficient way to outsource financing.

On the supplier's side, the ability to extend terms to a PE owned company (and even more so to a distressed company) is often more a function of risk than cash flow. As credit insurance is widely used (by 35% of European companies, according to my published research) it is critical to map insurance coverage for current and prospective suppliers to understand the impact of a potential withdrawal, and also to distinguish between suppliers who rely solely on insurance and those who follow their own independent assessment (and obviously ensure communication and information flow with both).

Changing the Product Mix

Not every company monitors basic profitability by product line; even fewer appear to monitor working capital implications. While the precise extent may be industry specific, it is generally recognised that particular parts of the product mix place a large drag on working capital. This can be caused, for example, by longer production times, by associated services to the customer (such as installation, system integration, training, complicated logistics, etc.), by the need to pre-pay the supplier, etc. These product lines may or may not be essential and/or highly profitable. Detailed structural analyses will help to redefine the business.



Changing the Business Model

Finally, the business needs to review its business model. The classic model is capital intensive: you buy materials (thereby creating accounts payables), store/process these materials (creating a larger inventory) and then sell the end product (creating accounts receivable). This model, however, may not be optimal from either a risk and or a cost standpoint. One alternative would be to move to a service based model, where business is redefined as providing a service, rather than buying or selling. In the case of a distribution company this would be a move to a commissionaire/agent structure (where the company is selling goods on behalf of a supplier for a fee, handling marketing, logistics, collections, etc. as needed, but never taking legal title to the underlying products). In the case of a manufacturing company it could move to contract manufacturing, where the company receives components from a customer and processes them for a fee. Many individuals do this when ordering a suit or a dress; similar models can be seen in the aluminium or the electronics sectors.



Igor Zax, CFA

Igor provides consulting and interim management solutions for corporate restructuring, turnaround and business transformation projects. His past experience includes both operational roles within top

blue chip multinationals, banking and specialised consulting, dealing with developed and developing countries across EMEA. He obtained a Sloan Fellowship MSc with distinction from London Business School.

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If you have never had to consider hiring a turnaround executive up until now, then we can assume you must be doing something right. But in the current downturn, there are external factors that even the most seasoned private equity investors cannot tackle alone. It could be time to call in the capabilities of a lone wolf. That is why we have asked turnaround executive, [Mark Taylor](#), to highlight the characteristics private equity investors should expect in not only him, but other turnaround directors from day one.

Great expectations: vital characteristics of a successful turnaround executive

Turnaround directors have specialist expertise in corporate rescue and can quickly be introduced into a troubled business. They will take on an executive role in a turnaround and/or work in an advisory/mentor capacity alongside, or independent of, a professional services firm advising management and key stakeholders.

Mark Taylor says that in his experience more times than not incumbent management teams lack the experience in turning around a business. That is why it is wise that the turnaround director takes an executive role, such as chairman, non-executive director, CEO, or chief restructuring officer, working in tandem with existing and second tier management or directly augmenting it, if required.

He describes turnaround directors as independent operators who will have a combination of both sector and situational experience, with the key differentiator being “proven and credentialed situational capability”.

“The common theme is that we have ‘done it before’, bringing our skill set rapidly and effectively to a stressed situation,” says Taylor. “Tough choices have to be taken and if management leaves those choices too late they

lose control of their own destiny. The three dimensional paradigm that needs to be identified and agreed upon is fix it and grow it, close it, or exit it; this could be a product line, customer relationship or a total business entity.”

Selection process

When selecting an appropriate turnaround director, he says there is often a conduit to this introduction, such as firms like PILOTpartners, who may already be acting in the role of trusted advisor. Having a track record to look back on will give firms a good idea of what a director ‘can do’, but almost as important is the style that they bring to complement existing management to ensure value is driven from day one of their introduction.

While turnaround directors have a duty of care to the company, which usually engages them, they are focused on maintaining strong relationships with all key stakeholders; very often it is these key financial stakeholders, who recognising there is a burning platform, have introduced them to management in the first place. Taylor says their ongoing support is pivotal to ensure a turnaround strategy is adopted and successfully implemented.

Increasingly, in today’s market, turnaround directors also have a role to play in improving a business’s longer term resilience, proactively to ensure it does not move into a distressed space in the medium term.

Pollard Case Study

Mark Taylor was introduced to Pollard, a Midlands-based automotive supply and services company, by PricewaterhouseCoopers to determine if there was an alternative strategy to avoid the threat of administration.

While the assignment included a new sector for Taylor, it was business as usual as he was being brought in not for his sector expertise, but rather his situational capability.

“My first course of action was to determine the cash and stakeholder position,” says Taylor. “Drastic changes had to be implemented to streamline the business. I devised a 90 day plan and proceeded with execution.”

What the company required was additional cash management support and initiating a forecasting capability around the existing functional financial role--identifying what was adding value and what was not.

To maximise cash and profit generation some major decisions had to be made, the toughest of which for the management, according to Taylor, was to exit manufacturing and to allow him in as CRO, in the first instance, and commit to a non-family leader quickly.

"I had to explain in clear terms the implications of the burning platform and what was required in terms of a way forward and supporting them alongside the plan that I devised with the most able internal person who was not a family member--the technical director,"

Taylor says that after he had identified the right person, they worked closely on the detail. The technical director was soon able to develop his skills outside his normal role and raise his own profile within the company. This gave Taylor the confidence, post-transaction, to hand over the baton to him to become managing director. "He then followed on the plan we devised to drive the plan forward to sustained profitability," Taylor explains.

"Often my job in any assignment entails getting the management team out of their comfort zone, both in the initial stages and as a constructive challenge along the journey. Remembering that the people need to be on the train with full management commitment; rather than being left at the station – even if you have to drop a few off on the way," says Taylor.

Once Taylor took on his role as CRO, he restructured internally the roles of the family directors and repositioned their roles externally to manage external stakeholders, such as customers and key suppliers. One of the key objectives was also to manage and reconcile a strategic Japanese supplier/partner sensitively, yet with commercial imperatives.

"We also tuned our significant bank exposure risk to a fully recovered position and ultimately achieved a good ongoing client relationship between stakeholders post-transaction," Taylor explains.

To ensure a smooth transition for all the changes the company introduced legal advice and correctly consulted and briefed staff. Real-time communication was kept on a daily basis with all stakeholders.

When it was time for Taylor to move onto his next project he identified a new managing director for the company. But the major changes did not stop there.

Once the company had closed down its manufacturing facilities to concentrate it was time to change its business model. "The company decided to concentrate on its most profitable part of the business, sales and distribution, which meant moving away from manufacturing, which was unprofitable and cash draining. We revisited what was core and devised a competitive proposition going forward, while engaging key stakeholder support."

The management decided that the best course of action for the next stage of the company's development was to sell shares to its Japanese partner, Mori Seiki. "It was the best solution for all stakeholders. The equity sale represented a win-win position for all key stakeholders," says Taylor.



Mark Taylor, Managing Partner
Blue Sky Associates LLP

Mark can take appointments as a decision-making executive to support management, including chief restructuring officer (CRO), CEO and chairman. He is a

member of all the principal UK professional services turnaround panels and has worked with client companies and key multi-stakeholders both in the UK and internationally.

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Continued from front page...

Known to us are numerous former 'captains of industry', ex-CEOs and ex-Chairman who have spent a long time within specific sectors, have been through one (or more) previous recessions, and generally are familiar with private equity. It has been an especially notable feature of our work over the past few months that portfolio businesses of about two years post investment are replacing non executive chairmen who have not successfully managed the board through lack of focus or agility when confronted by a rapidly changing business environment. Sometimes they are lone wolves...

Instant Due Diligence

Lastly, senior independent executives can fill the information gap between a private equity firm's desktop analysis (and in-house expertise) and the retention of (expensive) specialty advisory firms. Specifically, executives with significant sector experience can quickly educate a firm as to the pitfalls within an industry, which companies have untapped potential, and what the technological and economic issues/challenges the industry and players will face. Many times after these types of due diligence projects, a firm may ask the executive to stay on in some capacity, either as a chairman or non-executive director.

My best wishes



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Announcement



The partners and associates of Wheeler Gebauer LLP are delighted to announce the appointments of Richard Wilson and Barry Waller as principals of their new board level interim management business – PILOTinterim.

PILOTinterim will focus on the specialist resourcing needs of businesses of all sizes, sectors and executive functions across the UK and in Europe including board level interim management, non-executive directors and commercial due diligence / advisory.

Richard and Barry bring with them significant knowledge and understanding of the challenges facing client enterprises in both good times and during downturns. Over many years they have successfully sourced immediately available interim executives to assist their clients in transition. PILOTinterim will complement the existing services of PILOTpartners who continue to focus on turnarounds and private equity portfolio businesses.

James Wheeler
Michael Gebauer June 2009

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