



**INTERIM PRODUCTION DIRECTOR
£20m scientific equipment business
South East England**

Successful product development leads business recovery

This is an interesting one – a long held, private equity minority stake in a business which “had lost its way”, where the bank was prepared to accept covenant changes for a slice of the action and enough new cash to enable the transformation of the business’s production capability which would support a new line of products in very tight market conditions.

The business had been loss making for 2 years and very little value remained in the business. A turnaround director had been in there for several months on a part time basis gradually improving the cash position by improved stock and working capital and, critically, persuading the directors (a bit long in the tooth) to close down an iconic product line which was the main cause of the gradual cash drain in the first place. The lack of clear thinking had led to shilly-shallying of the worst type until the turnaround director knocked heads together. Then the issue for the bank became simply “how quickly can we get this completed?”

James Wheeler of PILOTpartners was appointed by the bank to secure the services of an interim manager to head the project team to complete in three months, subject to some stringent project execution conditions. The rapid turnaround solution suggested by PILOTpartners included:

- Appointment of an interim production director to take full ownership of the new facility rather than leaving it in the discredited hands of the MD who had hitherto fulfilled that role.
- Workstreams put in place involving secondary management and two key external contractors:
 - Reconfigure the lay-out of the factory
 - Establish a new purchasing function (secondary interim manager secured)
 - Establish lean manufacturing processes from scratch
 - Agree new working practices with the unions (plural)
 - Introduce a new inventory control system
 - ...and finally to establish a clear line of communication with the finance director who was transformed from non-committal at best to the key driving force for change overnight

The project was completed on time and within budget. The interim manager had been incentivised by way of a bonus based on timetable and value achieved which was shared by PILOTpartners who had agreed to waive part of its fees in order to participate in the upside.