

BlueWater Partners helps businesses identify and navigate a range of strategic alternatives. We specialize in senior-level advice on mergers, acquisitions, capital sourcing, performance improvement, turnarounds and merchant banking.

Operational Turnaround — Sale

A Metal Stampings Manufacturer serving automotive OEM and Tier I customers had experienced seven figure quarterly losses for two years.

Situation

- Defaulted on senior debt and lender blocked availability
- \$750,000 BBC reconciliation issue
- Absentee ownership

Solution

- Engaged BlueWater Partners as Financial Advisor to help board and shareholders develop a turnaround plan
- Completed 13-week cash flow, addressed BBC issue with senior lender and negotiated a Forbearance Agreement which provided time
- Conducted operations and cost accounting assessments and concluded pricing was an issue
- Contacted largest customer, executed an Accommodation Agreement which included competitive price increases and established progress milestones
- Once profitable, shareholders concluded a “going concern” sale was the best option

Results

- Closed on sale to a foreign strategic buyer
- Saved all jobs
- Paid off senior debt in full; senior lender became the lender to the buyer
- The buyer assumed all trade debt

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