

CASE STUDY

Third Party Logistics Provider

BACKGROUND

Founded in 1992 by a father and son team, this warehousing and trucking company provided logistics services to retailers and manufacturers including Macy's, Esprit and Bed, Bath & Beyond. The founders had built a positive culture with a solid customer base and revenues of \$33 million in warehousing and trucking.

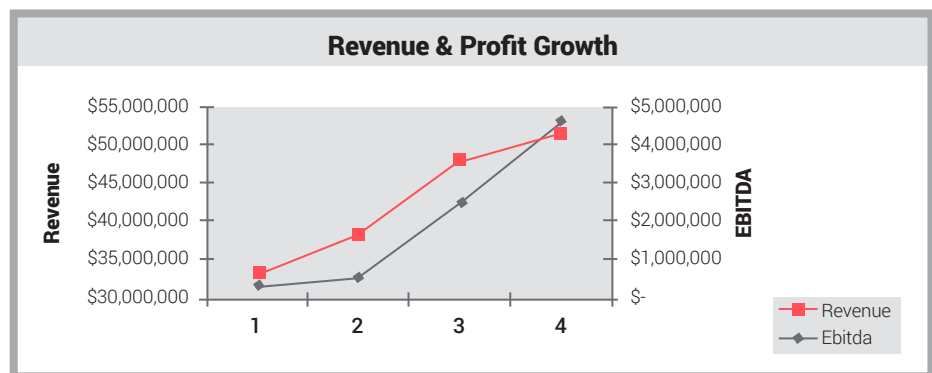
The company suffered from low profitability and poor cash flow. When CCA engaged with the owners, they had losses and were out of covenants with their bank. They had entered into an agreement to provide distribution services to a large retailer. Based on inaccurate forecast and budget data, the agreement led to pricing and reimbursement problems and caused a business threatening situation for the company.

STRATEGIC PLAN EXECUTED:

CCA leveraged existing resources and executed a plan encompassing several key initiatives:

- Productivity systems that resulted in labor savings of \$1.2M a year
- Improved facility utilization
- Client profitability models that led to price increases of \$2M
- Created formal technology group that resulted in revenue of \$500k
- Reduced overhead expense
- Implemented reporting and budgeting & trained management

FINANCIAL RESULTS:



CAPITAL INFUSION:

CCA arranged over \$15 million in financing including senior lender for \$10M, mezzanine lender for \$2M, equipment sale leaseback for \$2M and building lease acquisition that yielded \$1M in cash and \$8M in equipment.

END RESULT:

CCA led effort to market and sell business to venture firm for \$28M.