



## Turnaround & Restructuring Newsletter

March/April 2024



### Views from our leaders

#### Anthony Jackson, Principal

As Deloitte's Cash & Working Capital (C&WC) leader, I am delighted to introduce our March/April 2024 edition of the Deloitte Turnaround & Restructuring (Deloitte T&R) newsletter. This issue focuses on the crucial role that effective working capital management plays in the implementation of turnaround and restructuring strategies.

In today's uncertain economic environment, marked by increasing interest rates, looming recession threats, and geopolitical disturbances, liquidity management has continued to be paramount. Over the last six years, we built a working capital practice to help early staged distressed companies increase their visibility into their respective cash and achieve greater capital freedom through focused working capital improvement programs across accounts receivables, accounts payable, and inventory.

Over the last year, we have seen three developing themes across a number of the companies we have been working



with, including (1) exploring how to leverage new and emerging technologies, including the use of Artificial Intelligence; (2) talent transformation beyond traditional roles, for example collectors starting to include root cause analysis, rapport building, and investigative skills as part of their jobs; and (3) changing organization roles for finance executives to drive more strategic value vs being focused on “back office” job functions.

Be on the lookout for the release of our working capital roundup titled “*Capital Freedom: Exploration of 2023 Working Capital Trends*” where we will provide an overview and commentary on working capital performance by industry. We will also host a DBriefs with one of our clients on May 2, 2024, to discuss recent trends and related matters.

## New Release



### **2024 MarginPLUS study: Refocusing amidst uncertainty**

Business margin improvement and technology enabled transformation efforts are taking place at nearly every large company around the world; not only in reaction to known pressures, but also to address widespread uncertainty. Business leaders aren’t strangers to uncertainty, but MarginPLUS’ 2024 survey findings showed (amid inflation, global conflict, new regulations, and high-interest rates) many of them changed their approach to it.

[Explore more.](#)

## Recent engagements

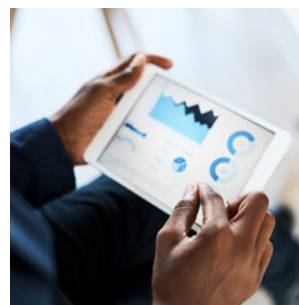
### **Deloitte T&R's effort toward a Managed Exit**

Deloitte T&R was hired by the US parent company of a large engineering, procurement, and construction company to assist with a Managed Exit effort as the global parent shrinks its footprint. Our efforts included liquidity modeling, stakeholder negotiations, and overall strategic advice in winding up operations in North America. The effort was successfully achieved with all projects being completed and all stakeholders dealt with in a mutually satisfactory manner.



### **Deloitte T&R's advises the Board of Directors of a large national retailer**

Deloitte T&R is currently engaged to provide strategic advice to the Board of Directors for a large national retailer. The company was experiencing significant seasonal working capital swings, requiring it to reach accommodations with its lender groups to provide sufficient access to liquidity and time for new senior leadership to execute operational optimization efforts. The company is currently on track with its operational efforts and our support of the Board continues.



## **Upcoming Dbriefs & Webcast**



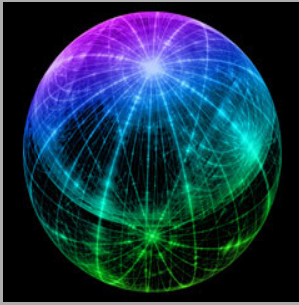
### **Cost takeout, tax, and strategies to offset higher interest expense**

April 3, Wednesday | 2:00 PM ET

Changing debt markets and higher interest rates have likely eaten into companies' profits, emphasizing the need to focus on better working capital. Cost, cash, and capital management, including tax optimizations, are now more important than ever. Participants will analyze how proactive organizations can better preserve profitability by leveraging their data to do more.

[Register](#) to learn more.

## **Our latest eminence**



## Adding method to managing an exit strategy

Explore how we have helped clients devise and implement an optimal strategy to achieve wind downs.

[READ MORE](#)

## Additional insights

Explore how a Chief Financial Officer can collaborate with a treasurer to shore up the function's infrastructure and operating model. [Read our latest insights](#) to find out.

### About Deloitte Turnaround & Restructuring (T&R)

Deloitte T&R is a leading provider of financial and operational restructuring services, turnaround and performance management, fiduciary services, and bankruptcy administrative services to underperforming companies and their advisers, lenders, investors, courts, and other stakeholders. We specialize in helping both large multinational organizations and midmarket companies overcome challenges, from enhancing the performance of healthy companies to complex bankruptcy reorganizations. Our talent, global reach, and commitment to driving results set us apart and enable us to help create value in the most challenging and complex restructuring matters.

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