



Turnaround & Restructuring Newsletter

January/February 2025

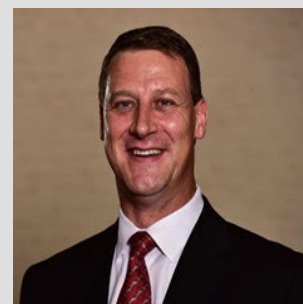


Views from our leaders

Michael Quails, Managing Director

Optimizing working capital for sustainable success

Our working capital practice, led by [Anthony Jackson](#), [Wanya du Preez](#), and I, has experienced a notable increase in inquiries regarding free cash flow, working capital improvement, supply chain finance, and cash forecasting. Our clients are citing the need for and seeking additional cash to fuel their respective growth. In this issue, I want to share a few recent successes and illustrate how Deloitte Turnaround & Restructuring (Deloitte T&R) is advising clients to address their respective needs.



Life sciences industry: Enhancing cash flow

Deloitte T&R recently advised a mid-market medical beauty and aesthetics company experiencing over 20% annual top-line growth. We identified \$30 million in cash release from its receivables, representing 15% of its current receivables balance. To achieve this, we launched a "Dash for Cash" collection improvement initiative, aimed at upskilling their global collections team, and enhancing both upstream and downstream processes, including statements of accounts and electronic payment portal capabilities. Additionally, Deloitte T&R assisted the client in identifying a path to reduce their inventory by approximately \$15 million, or 10% of their current

balance. The company's executives have expressed that these efforts can help fund market expansion and help sustain their current growth trajectory.

Oil and gas sector: Leveraging technology to cash improvement

A global oil and gas company sought Deloitte T&R's advice and recommendations to improve and expand its working capital programs amid an enterprise-wide SAP S/4 HANA transformation. We identified payables cash improvements totaling approximately 20 days of procured spend terms improvement, enabling \$2 billion in cash generation through supply chain financing capabilities. Furthermore, we identified a \$45 million annual profit and loss (P&L) benefit to be realized through dynamic invoice discounting capabilities. This program is also viewed as a positive element of their vendor relationship management program.

Consumer and industrial services: Integrating acquisitions for efficiency

Deloitte T&R recently commenced a project with a consumer and industrial service business to assist with the integration of a newly acquired company. The acquired company's processes lacked maturity and required comprehensive integration. Our work includes an end-to-end analysis of the order-to-cash function and the design and implementation of a future-state integrated finance organization. These efforts can help the company increase cash flow and achieve significant annual cost savings.

Commitment to client success

Our commitment to assisting our clients in optimizing their working capital is steadfast. By leveraging our experience and innovative solutions, we help businesses identify opportunities to unlock cash flow, fueling their journey toward sustainable growth and success.

Our latest eminence



Finance To-Do List: Year-end cash management considerations

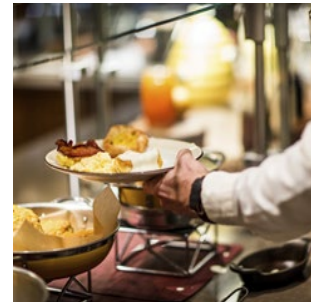
Explore how finance leaders can help shore-up their bottom lines before the year-end with four simple steps.

[READ MORE](#)

Recent engagements

Deloitte T&R provided guidance with liquidity and forecasting to its client

Deloitte T&R supported a secured lender to a national multi-brand Mexican casual dining chain. The restaurant group had significant acquisition-fueled debt amidst a period of sustained financial underperformance, short-term liquidity concerns, and an incomplete management team. Deloitte T&R assisted with analysis of the short-term liquidity position, the historical and forecast business performance and ultimately helped our client to achieve full exit from their position through a debt sale.



Upcoming Dbriefs & Webcast



2025 economic outlook: Economic resilience and future policy implications

January 15, Wednesday | 2:00 PM ET

Participants will discover economic trends affecting private companies, empowering them to implement their strategic business strategies.

[Register](#) to learn more.

Additional insights

Curious to find out more about T&R? [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, 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.

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