

CASE STUDY

ENGINEERING COMPONENTS MANUFACTURER

Background

- £4m turnover manufacturer of specialist components for the power and engineering sectors
- Profitable and fast growing
- Working capital strained because of growth of work in progress in line with sales growth
- Financial management systems poor and no forecasting model

Phase 1 financial management

- Set up forecasting model to cover working capital requirements for each large customer
- Improved format and timeliness of management accounts
- Reorganised accounts department to improve efficiencies
- Presented business plan for additional working capital to the bank
- New loan credit approved for drawdown September 2010

Phase 2 ongoing advice and role

- Interim FD appointed from FDYL to oversee financial management
- Commercial input to directors in negotiating contracts and costings
- Management accounts process further streamlined to meet bank covenants
- FD involvement going forward agreed at 3 days per month.