



**International Top Executives recruitment service
from interim assignment to permanent placement**

Success Story

Profile VP/Sales & Marketing
Manager CEO Europe Id # : 12464

October 1, 2005

Topic

Turnaround operation

Headline

**Business situation jeopardized by the unexpected ...
The breakthrough strategy.**

Input

Computer Hardware & Software Company

Results showed a profit for years

Realization of:

- State of dependency beside a market being on the way to become part of every day life (Expertise, gross profit)
- Capital assets shortage to face up to an increasingly fast growth rate (Critical size)
- Market opportunity window in the field of services linked to office work automation (Services Oriented Architecture)
- Intangible assets seemed to be a key factor to rise in value (Return on Assets)

Company willing to welcome new resources to obtain an outside view of activities (Development)

Executive Directors desire not to lose short-term operations control (Return on Equity)

Output

Worked out a Business Plan (Initial Public Offering document)

Defined company valuation (Price to Earnings ratio of 8, 8)

Balanced legal / tax and financial sharing contribution (shares and participative loan)

Drafted private agreements and shareholder commitments (conflict of interest, non-disclosure, exit strategy)

Found institutional investors and Business angels (presentation tour)

Signed letters of intent with private equity partners and followed through to completion

Managed final closing with chartered accountants and lawyers

Breach of a major selective distribution contract (supplier organization inside restructuring)

Misappropriation of business leads and 5 over achiever sales representatives (supplier above signposted)

Sudden lack of commitment of the Executive Managing Director (MD lead stakeholder)

Trustee resignation and MD ad nutum dismissal voted by the Board of Directors

First mainstream of ERP middleware agreements with global leading organizations in Luxembourg

Board of Directors decided to come to litigation at Paris court before taking close down of the Company

Conducted completion of liquidation proceedings (nearly 5 years commercial dispute)

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Lessons learnt

The intangible capital is an 'economic' concept that can correspond to a triple-digit value of fixed assets (market)

The time factor is a key element to the burn rate (Internal Rate of Return expected)

Overconfidence can prove to be detrimental to given requirements (partners)

Business success can quickly be turned around by human disruption (people)

A Sr. Executive Interim Manager can be economic and helpful for a stop-gap role or a strategic placement (flexible)

Conclusion

Transitions are tough to get right because their success depends on people, and people are complex, emotional beings.

Changes (structure, policy, practice i.e. external conditions) happen much more quickly than transitions because they are not psychological reorientations that people have to go through before they can work.

Turnaround Management is often necessary to implement Business plans and Business strategy to financially stabilize a fast-growing Company.

Senior Interim Executive Managers can quickly assess operations and provide experienced staff leadership while recommending actions and working closely with the Board to effect a smooth, seamless transition (bridge).

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