

Salvaging Value: How Strategic Planning Secured a Successful Sale

The Assignment

A manufacturing company faced mounting financial struggles following the COVID-19 pandemic. With performance declining and liquidity concerns rising, ownership had been sustaining the business with personal funds but could no longer continue. Concerned about deteriorating financials, the company's bank sought Kreshmore Group's expertise to explore a refinancing solution.

The Process

Kreshmore Group conducted a comprehensive financial and operational assessment, leading to a shift in strategy:

- **Financial & Liquidation Analysis:** A deep dive into customer contracts and assets revealed that the company was not viable long-term, and a refinancing would be unfeasible.
- **Strategic Shift to Distressed M&A:** Instead of pursuing a refinance, Kreshmore pivoted to a dual-track process—simultaneously preparing for both a distressed M&A sale and a potential liquidation scenario.
- **Buyer Engagement & Sale Execution:** Kreshmore successfully secured interest from three potential buyers, ensuring the company's work-in-progress (WIP) assets were monetized and operations could continue.

The Results

In just 30 days, Kreshmore Group facilitated the sale of the company, enabling the bank to recover its full loan basis. The transaction not only prevented liquidation but also ensured continuity—allowing previous ownership to retain their employment positions and keeping the business operational under new ownership.

As a boutique restructuring advisory and investment bank, we specialize in guiding middle-market companies through pivotal transitions. For tailored support and expert insights, connect with one of our experienced advisors below.



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