

Reviving Retail: How A Regional Retailer Overcame Financial Turmoil

The Assignment

A regional retail company faced financial distress after rapid expansion from 60 to 140 locations, resulting in unprofitable stores and mounting financial pressure. Initially considering liquidation through a 363 sale, the company sought Kreshmore Group's expertise for a second opinion on restructuring options.

The Process

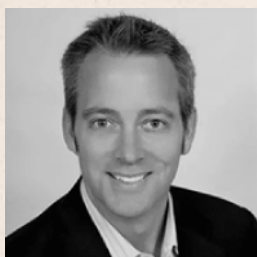
Kreshmore Group conducted a deep financial and operational analysis, focusing on store-level economics. Key steps included:

- **Strategic Store Reduction:** Identified and carved out 55 core profitable stores while shedding underperforming locations.
- **Bridge Debt Solution:** Sourced family office financing to refinance senior lender obligations and fund lease settlements.
- **Interim Leadership & Article 9 Sale:** Guided the company through an Article 9 sale, installing an interim CFO to stabilize operations and drive restructuring efforts.
- **Operational Turnaround & Exit Strategy:** Managed the business for 18 months before successfully leading a sale back to management, ensuring financial recovery and operational stability.

The Results

Through Kreshmore Group's strategic turnaround, the company avoided liquidation and successfully restructured into a leaner, more sustainable business model. The family office investor secured a return on their capital, and management regained ownership of a revitalized company positioned for long-term success.

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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