

Interim President/CEO – Public US Company in Distress



Interim President/CEO for a US public company in Distress

<https://www.aluf.com>

Executive Summary

Aluf Holdings Inc is a holding company (OTC Market) that operates dynamic, growth-oriented, proprietary technology businesses.

Aluf Holdings, Inc. assists with the scale and development of our businesses, with the goal of maximizing their value, optimizing operations, improving the market's understanding of these businesses, and exposing them to a pool of international investors, based on each business' industry and development stage.

This company's CEO was leaving and the CFO wanted to find new investors to move to the next level through acquisitions. This is why they hired me as an interim CEO & President and the goal was to re-organize and turnaround the business to attract new investors.

Challenges

The interview with the CFO revealed that their goal was to get investors in order to develop their M&A activities. The assessment and the evaluation highlighted an important list of challenges and issues:

- Lack of leadership – CEO and Consultant were not driving the company which was left without any direction or strategy to exist and then to grow.

- Board of Directors – Most of them were not even contractually members of the board anymore
- Debt – Huge amount due to cash issue and lack of management
- Resources - Frustrated and not paid for the last 2 years or so
- Legal cases - Too many for a company of this size
- Revenue – Too small to exist in the short and long term
- Software – 6 products ready for market but nobody in charge of the vision and future releases. No current development for future release – R&D did not exist.
- Marketing was inexistent and the website was not current and modern.
- The company had no mission statement defined.
- Investors – Frustrated, wanted to see changes in management and the way this company operated.
- The company operated as a small startup and not a software company created 11 years ago.
- A new mission statement was established to define our future strategy to grow this company.

Solution

Following our presentation to the shareholders, board of directors and management team made the decision to put in place those actions and processes:

- Hire a Corporate Counsel to deal with legal cases reporting to the CFO
- CFO will be responsible for all financial operations: Expenses, Vendors etc.
- The management team and the board of directors will approve all commitments or signature of contracts.
- We engaged a firm for our Investors relationships.

- All the Consultants and 3rd Party contracts have been reviewed and approved by the CEO/CFO
- A weekly forecast call has been established and run by the CEO and the CFO.
- Restructured our Training Plan & Offer.
- New Marketing Campaigns have been developed and executed.
- Regarding the debt: CEO and CFO established a plan and negotiated with debt holders.
- Legal Cases: Corporate counsel will expose options for each case including cost and timing
- A New Website(s) modern and friendly has been created and released.
- R&D – We signed partnerships to get our software products upgraded.

Results, Return on Investment and Future Plans

Over 2 years of intense work we have reduced the debt by 50%, stopped 70% business loss and cut operational costs in half. The company was re-structured in a way to receive and attract new investment (few offers came in for investment to be analyzed by the new board and management team in place). By end of the fiscal year 2014, the company was profitable, first time in many years.