

CASE STUDY:

# Distributor to Home Improvement Centers



## Rethink

Two client engagements with a distributor to national home improvement centers. The Company experienced failure in its ERP conversion, losing control over its financial information and electronic records. Debt covenant violations led to strained lender relationships during a period of low performance. After successful restructuring efforts, two years later, liquidity and operational issues arose related to moving all warehouse operations and a failed transition to a new warehouse system.

## React

Aurora engaged as financial advisor in both situations. Leadership and corporate organization assessment were conducted. Aurora mapped transaction flows to support system conversions, budget and forecasting processes were revised, revisited product costing structure, and reconciled relationships with suppliers. Upon transition in warehouse locations, Aurora assumed the role of interim CFO, managed cash flows, warehouse management, and ushered the company through full debt refinancing.

## Results

Company returned to profitability and quality financial forecasting and budgeting instituted. Lender confidence was restored, leadership changed and managerial roles and responsibilities were clarified. Gained confidence in new ERP system and returned to normal operations. Aurora's second engagement yielded a successful refinancing of the Client freeing up working capital for operations and expansion of the distribution network. The Client is experiencing record sales and profitability.