



tatum

by randstad.



case study

# end-to-end turnaround for a struggling PE-owned education company.

## challenge

After several years of languishing profitability, a publicly traded post-secondary education company with a majority private equity (PE) owner was in disarray. A recent leadership shakeup had sent their stock price tanking — and disappointed shareholders were exiting in droves. Deeply concerned, the company's PE ownership turned to the experts at Tatum for help righting the ship.

## solution

At the start of the engagement, the client's company was at high risk of falling below its regulatory capital threshold. Fixing that — fast — was the top priority.

So Tatum got to work improving working capital and enhancing balance-sheet efficiency through a strategy that targeted receivables-collection efforts and prepaid services. We also successfully negotiated for lower restricted cash requirements and more favorable service agreements with vendors.

From there, we began revamping the business strategy to position the company for positive earnings and growth. Focus areas included:

- sustaining regulatory financial ratios while rolling out new, hybrid funding options
- enhancing investor communications and management through proactive investor outreach and more in-depth strategic planning
- streamlining the company's reporting processes to enable more agile decision-making
- creating a robust cybersecurity framework to eliminate exposures and other vulnerabilities

## outcome

The experts at Tatum engineered a comprehensive turnaround, working more than 60 hours each week on average to see it through to completion.

Highlights of the engagement included:

- hiring and onboarding three new senior finance executives to bolster investor confidence — as reflected in the company's 127 percent jump in share price during the course of the engagement
- delivering EBITDA and cash-flow improvement in excess of \$30 million — or almost 10 percent of total revenue
- implementing a wide range of efficiency improvements that made possible a seven percent reduction in overall headcount without disruption to business operations
- building out the client's first-ever models for required and excess capital and cash while enhancing core treasury capabilities

Our team at Tatum has a demonstrated track record of success partnering with PE companies to help optimize investment strategies, improve efficiencies and ensure long-term ROI. [Meet the team](#) today to learn more.

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