

MERGERS+ACQUISITIONS

Bringing together the right players

Evaluating options to acquire another company is a critical decision point. Many acquisitions fail because the parties involved are not compatible—or because of poor planning, integration, and execution. We minimize those risks based on our extensive knowledge of the industry.

Finding the right company is the key to successful acquisitions.

If you're looking to purchase a company, ACT will help you develop a plan for acquisition, review specific search criteria, and consult on the viability of each search, as well as probable pricing parameters. We will then handle communications with qualified candidates and assist in structuring and moving the agreement forward. Our job is to eliminate the roadblocks that typically get in the way of a successful sale, working proactively with sellers on behalf of buyers to make sure the transaction is a fair one for both parties. Throughout, we take every precaution to ensure confidentiality until the sale is successfully completed.

Why acquisitions do not come to fruition

Acquisitions fail to take hold for many reasons. ACT works with buyers to overcome the following roadblocks:

1. The seller has remorse
2. The seller changes the price
3. The seller is unrealistic in knowing the true value of the company
4. Tax issues come to light in the 11th hour
5. Attorneys bog down the selling process
6. The due diligence process is incomplete
7. The seller has been portrayed inaccurately by a third party

Financial evaluations

Determining net worth

Thoroughly knowing your costs and the value of your assets is the first step in building a profitable business. We provide an accurate appraisal of your company based on actual market conditions, from freight availability and capacity to equipment pricing and the current M&A market. With a true dollar figure that reflects your net worth, you can eliminate surprises; successfully execute financial strategies such as expansion, acquisition, or potential sale; and better prepare for estate planning and partner buy-out and ensure you are not overestimating asset value for insurance purposes.

Business advisory and monitoring services

Making strong businesses even stronger

Our ongoing business advisory and monitoring services can help profitable businesses become even better. Sometimes it's as simple as evaluating your employees to make sure they're in the right position—and developing a system for management and employee accountability.

From assessing your organizational structure to forecasting and implementing an effective business plan; analyzing wages, bonuses, and incentives to expediting timely financial information; evaluating debts and costs to negotiating insurance rates, we continuously evaluate your operation for areas and practices that may need improvement—and implement solutions for enhanced performance.

We also keep you informed of, and provide guidance on, federal and state initiatives that affect your business performance, from asset reporting requirements to the new CSA 2010 safety regulations. Our team participates regularly in industry conferences to stay on top of current and future regulations—so we can help you take proactive steps for compliance and competitive advantage.

Call us today

No matter what your financial position and business goals, ACT's proven programs and solutions can keep your business from stalling—and steer you to higher performance.

Call us today to learn more about what we can do to position your company for a successful and prosperous future.

ACT

Connie West, Director

PO Box 349, 1865 North Airport Road, Fremont, NE
602-548-3022 / 1-800-654-8280
Cwest@taylorandmartin.com

A Division of

Taylor & Martin, Inc.

ACT

Acquisition, Consulting, and Turnaround

Advisory services for the transportation industry

STEERING YOUR BUSINESS TO HIGHER PERFORMANCE

A DIVISION OF

Taylor & Martin, Inc.

- Turnarounds for distressed businesses
- Senior lender evaluations and turnarounds
- Mergers and acquisitions
- Business advisory and monitoring services
- Financial evaluations

In recent years, the transportation industry has traveled a rocky road. From navigating rising costs to managing liability risk and complying with ever-emerging federal regulations, companies are facing a host of challenges. In an industry that typically runs high on costs and low on profits, steering business to higher performance can seem a daunting task.



At Acquisition, Consulting, and Turnaround (ACT), advisory services for the transportation industry, we are singularly devoted to helping transportation companies—and their business partners—meet challenges with custom-tailored solutions for immediate action. A division of Taylor & Martin, Inc., ACT serves a broad range of companies throughout the U.S., from transportation and logistics to freight forwarders and intermodal. We know the industry, and the industry knows us. We are ready to put our proven methods to work for you.

If your business is losing money, it's easy to see why going to work just isn't fun anymore.

Turnarounds for distressed businesses

Making companies healthy again

If your business is losing money and you're having trouble paying your bills on time, it's easy to see why going to work just isn't fun anymore. Instead of controlling your business, you may feel your business is controlling you. You probably know what needs to be done; you just aren't sure how to make and implement the difficult changes.

In a turbulent economy, millions of business owners are in the same boat, just trying to keep their businesses afloat. The choice is either to solve the problems and return to profitability, or close the business before it fails completely. Often, business owners put off this decision until they've poured all the borrowed money they can into solving the problems—and it's too late to turn things around.

ACT is dedicated to helping transportation business owners revive their companies when they become unprofitable. We are a proven partner with dual expertise in turnarounds and in the transportation industry. From driver pay scale to empty mile ratio and revenue per mile, the many details that contribute to a well-run, profitable transportation business are our focus. We develop a plan to help you control your cash, negotiate with your lenders so you can stay in business and move forward with your turnaround, increase sales and profit margins to grow your company, and stay profitable moving forward.

Our turnaround specialists will show you the business fundamentals that will help you succeed. They will team with you onsite and off, either assisting in, or actually performing, the critical steps needed to make your company healthy again.

The ACT turnaround plan: Seven steps to success

1. Stabilize the business and stop the bleeding
2. Diagnose the cause of the problems
3. Prepare a detailed turnaround plan
4. Negotiate the restructuring of debts and obligations to a realistic and manageable level
5. Reorganize your company's structure and finances
6. Execute the plan until positive cash flow is achieved
7. Help grow or sell the business when your company is once again healthy

Senior lender evaluations and turnarounds

Bringing accounts back to positive cash flow

Many turnaround professionals represent only debtors and do not represent senior lenders. At ACT, we see things differently. Serving as the lender's advisor is often the key to achieving a successful outcome all around.

The minute cash gets tight, communication usually breaks down between the debtor and the lender. Promises are made that do not become reality, from "the check is in the mail" to "I will pay you on Friday" to "next week will be better." As a lender, it's hard to tell fact from fiction.

An insurance renewal, tag purchases, or IRS obligations may be the catalyst for shutting down—or worse, going into Chapter 11 bankruptcy. We do not believe that bankruptcy is a viable option for transportation companies. If a company can afford bankruptcy, it most likely can afford to meet its credit obligations. Bankruptcy typically prolongs the inevitable and does not address the fundamental problems. Our job is to bring these issues to light, keep the company out of bankruptcy, and recommend sound options that will inevitably benefit lender and debtor alike.



Our job is to bring the issues to light and recommend sound options that will inevitably benefit lender and debtor alike.



To determine whether a company is fundamentally sound and identify workable solutions, we immerse ourselves on site. Our auditors—former transportation company executives—bring years of industry experience to resolving problem accounts. ACT auditors look at the heart of a company's operations, reviewing every aspect—from its clients to the capabilities of key personnel, traffic lanes to revenue per mile, business plans to safety programs. We analyze weekly and monthly cash flow and whether or not the company has the ability to meet its debt obligations with primary lenders.

After the on-site visit, we supply the lender with a written report of our findings and recommendations. If needed, we can perform a liquidation analysis to assess downside risk and recommend, and assist with, appropriate restructuring options to help ensure the continued viability of lender accounts.

ACT in action: generating \$10 million in revenue for a company in trouble

A mid-sized transportation company was having trouble servicing its debts and was in jeopardy of losing its line of credit with the bank. The ACT team executed a plan to increase revenue and decrease expenses, and then put together a detailed budget forecast to attract a new lender. By working with Operations and Sales, we increased utilization by 1,140 miles per truck per month, and at the same time, increased rates by 5 cents per mile. To strengthen the company for the future, we implemented a training plan for managers to become more accountable for their departments. Working with the Finance department, we reduced some major expenses and put together a detailed forecast that landed the company a new lender for their line of credit. After implementing the ACT turnaround plan, the company generated over \$10 million without incurring any additional debt—and is once again profitable.