



# Restructuring and Turnaround

All Businesses Face Challenges

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(480) 444-9151

[HartBusinessConsulting.com](http://HartBusinessConsulting.com)

## Restructuring and Turnaround

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All businesses face challenges, and sometimes these escalate into a distressed situation. Changes in market conditions, loss of clients, availability of financing, disruptive technologies, new regulations, over-diversification, lack of operational controls, and many other factors can significantly affect an organization's ongoing viability. Declining profitability, lack of cash flow, poor capital structure, and multiple other factors are signs of a company in trouble. When things are going well, decision-making can be difficult. In times of stress, pressure can negatively impact the abilities of even the best management team.

Hart Business Consulting ("HBC") will work hand in hand with all stakeholders throughout the reorganization process, helping businesses in key areas such as operational and financial restructuring, capital structure, M&A, valuation, company culture, and evaluating key personnel. Our independent, data-driven approach creates viable solutions that stabilize an unstable situation. Our restructuring services aren't just for organizations that have faced insolvency. The more proactive clients are, the earlier issues can be addressed and the greater the odds of ownership and management retaining control of their businesses.

With extensive experience working with underperforming companies and distressed organizations in various industries, we use the knowledge and expertise developed over multiple decades to assess situations, piece together solutions, and rapidly address the key pressing issues. After providing solutions to help stabilize your business, we will work with management and develop plans to create lasting value and improve ongoing operational and financial performance.

## Restructuring Services

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Factoring in the unique aspects of each situation, we work closely with every client to develop a workable solution to the problems they face. Our services include:

- Stakeholder Management - Advising financial stakeholders on restructuring options that will maximize recoveries
- Operational Improvements - Identifying operational inefficiencies and developing programs to drive profitability. Providing ongoing oversight and fixing problems while preventing future recurrence
- Liquidity / Cash Management - Immediately identifying areas to improve cash flow and creating realistic liquidity forecasts.
- Strategic Business Planning - Reviewing underperforming businesses and evaluating strategic options, all while trying to mitigate downside risk
- Evaluation of Management - Performing in-depth reviews and assessments of executives and other members of management and their ability to execute tasks and achieve objectives. Educating senior management and key staff to strengthen their skills and enable them to meet current and anticipated conditions and opportunities
- Crisis Management - Restoring confidence and creating stability
- Negotiation Assistance - Negotiating with creditors, landlords, and various third parties
- Debt Advisory - Reviewing capital structure and providing independent advice on restructuring, collateral assessments, and refinancing alternatives
- Wind Down and Liquidation Services - Supporting companies with the wind-down operations driven by Chapter 11 wind-down or a Chapter 7 dissolution

Our expertise in all aspects of healthcare allows us to quickly assess challenges and opportunities.

## Receivership/Bankruptcy Trustee Services

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We can serve as receivers or trustee in court-supervised situations. Working closely with stakeholders, we will provide businesses with the stability and expertise required to navigate the court process.

Businesses must make prudent decisions to work through their challenges in distressed situations successfully. Our job is to provide independent advice that removes confusion and clarifies the situation. This includes developing a financial plan and actively supporting the implementation of resolution strategies.

HBC offers advisory and strategic support to businesses and their legal counsel through all phases of the bankruptcy process. For a debtor, we can assist with the preparation of the bankruptcy filing, the preparation of court-required financial documentation and provide continued support through all financial aspects of the bankruptcy process. We will assist a Creditors Committee in determining the best alternatives and strategies available to maximize value for creditors.

Our role is to help define the best path forward. We don't send you a team of twenty-somethings with zero real-world experience so that we can achieve this efficiently and cost-effectively. We can help test theories, determine if positions are defensible, evaluate strategies, and quantify damages. Just as importantly, we can anticipate and critique opposing arguments.

**Operational Services** - We perform all responsibilities ordinarily performed by an owner or manager, including managing and safeguarding property and assets and continuing necessary relationships with lenders, lessees, and others. We also prepare to operate and capital budgets and projections, implement control systems and monitor cash collections and disbursements, ensure the continuity of supplies and services, deal with outstanding tax and regulatory issues, negotiate disputes and litigation, pursue and resolve insurance claims and issues, and recover amounts from third parties as needed. We will also work to preserve the value of your brand.

Reporting - We provide all required progress and monthly reports to the court and relevant parties. Upon conclusion of the receivership, we submit a final report/accounting for approval.

Court Appearances - HBC can assist on a consultative basis regarding court appearances. Issues we can help you address include a borrower's contesting of the receivership, a borrower's filing of a petition for bankruptcy, a party's failure to comply with court orders, illegal actions by a party, etc.

Bankruptcy Litigation - We can perform forensic investigations and provide a full suite of financial advisory services to any party involved in bankruptcy-related litigation, including:

- Fraudulent transfers
- Preferential transfers
- Claims against directors/officers and others

## Lender Advisory Services

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Credit committees can only foresee some scenarios when providing loan approvals. HBC provides a full range of financial advisory services for all forms of creditors:

- Pre-loan credit analysis
- Recovery strategies / strategic analysis
- Interim executive management
- Assessment of collateral

## Debtor Advisory Services

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- Creditor Recovery Services - calculation of distributions to creditors and related creditor communications
- Financial Management - Assistance with the preparation of 13-week or longer cash flow forecasts, Statements of Financial Affairs (SOFA), Schedules of Assets and Liabilities (SOAL), monthly operating reports, liquidation analysis, financial projections supporting business plans, and any other required financial analysis
- Financial Audits - Review insider and intercompany transactions, debt restructuring and financing options, disclosure statements and turnaround plans, advice on exit strategies, assess the feasibility of business plans, evaluate operational viability, assist with negotiations between the debtor, lenders, and creditors
- Claims Reconciliation - Including matching Proofs of Claim to scheduled liabilities, reviewing and reconciling Proof of Claims to determine claims to be objected to, and analysis and preparation of support for claim objections
- Pre-Bankruptcy Planning - Motions for support, creditor matrices, identification of immediate financial needs
- Reporting - Bankruptcy reporting, including reorganization and fresh-start analysis, and more

## Mergers and Acquisitions

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Distressed M&A engagements come with difficulties. Our role is to maximize value for stakeholders under these challenging circumstances, and acting rapidly and definitively are two keys to success. HBC will identify buyers and negotiate, manage, and execute the sale. With decades of M&A experience, we provide the know-how to get the job done.

## Distressed Interim Executive Management

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With real-world experience in corporate advisory and management roles, HBC is well-positioned to provide the stability and leadership your company needs. When we step into any executive management role, we will work closely and collaboratively with executives and boards of directors to formulate and execute reorganization plans. We drive operational changes that lead to greater profitability and successful outcomes.

## Valuation

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Business valuations can be used in various ways: M&A, working with various funding sources, determining compensation for key staff, for strategic planning purposes, resolving shareholder disputes and succession and/or retirement planning, etc. HBC uses accepted standards to value all business interests and assets.

## About Us

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Founded in 2014, Hart Business Consulting has developed a reputation for delivering prompt, value-added service that leads to positive outcomes for clients in various industries. All engagements are unique, and we use a data-driven approach to provide honest, direct advice that is easy to digest and act on. All clients receive the same high level of attention, and needs are met quickly as we provide flexible strategies to fit complex situations.

Luke has an extensive background as a corporate executive and in corporate finance. This operational and financial background allows him to bring a holistic perspective to his work, which clients need in an ever-changing business landscape.

Previously Luke was CEO of a leading urgent care provider in Arizona. Facing bankruptcy, they engaged Luke to turn around the business and execute a sale, which was successfully achieved. Before that, he was COO/CFO of a leading multi-location medical practice that faced numerous operational difficulties at the time of his hiring. He helped restructure the business, navigate it through a complex ownership lawsuit and insurance audit, implement revised operating and billing protocols, and close underperforming locations, ultimately allowing for a successful change of ownership. Before this, Luke worked with companies facing unique challenges in various sectors, including banking, real estate, and services.

Before moving to Scottsdale from London, England, Luke worked as a Vice President in Corporate Finance for Lazard, one of the world's leading investment banks. Working across various industries, Luke provided independent advisory services to Governments and Corporations relating to mergers, acquisitions and divestitures, private placements, capital raisings, stock divestitures, IPOs, and restructurings. Prior to this, he worked in corporate finance at Credit Suisse First Boston, where he focused on M&A and capital markets. At Lazard and CSFB, he directly advised clients on deals totaling billions of dollars.

Luke holds a Bachelor of Arts degree in Politics and International Relations from Reading University, England.