

Background and Problem

The company is in a specialist area of the Soft Furnishings Industry with a small factory that employed 10 people, servicing the hotel industry. Sept 11th and Foot and Mouth devastated the hotel industry in the area and nearly killed this business.

A TVBA Business Advisor visited the client in November 2001, to find that the owner was at his wits-end. He had laid off two people and was himself working over 80 hours a week to try and survive.

Actions Taken

The TVBA Business Advisor negotiated a breathing space with the bank and set about analysing the business requirements and writing a business plan. He also sorted out problems in administration and accounts and tightened up the credit control procedures. These actions provided clarity for the business owner and the TVBA Business Advisor and reassured the bank that appropriate action was being taken. Initially, there were so many problems that the owner had not known where to start. These problems were tackled one by one by the TVBA Business Advisor and eventually all of them were solved.

In the meantime the owner concentrated on sales, which gradually rose. Negotiations with both the Inland Revenue and the VAT Office (Customs and Excise) over problems with late paperwork were also undertaken by the TVBA Business Advisor. Later, a salesman was taken on, which made a big difference to the company performance.

The Result

Turnover to June 2002 rose to £380,000, which represented break-even and in the following year it rose again to £500,000. Turnover in 2004 is on target for £600,000 and an ambitious but achievable goal of £1M has been set for 2006.

More importantly, the client survived the worst crisis to hit his industry in a generation and he is on his way to a more successful future. His two similarly placed competitors did not survive. The company is now moving into premises that the owner has purchased on an industrial mortgage, which the advisor helped to facilitate and there are plans to open a factory shop.

The TVBA Business Advisor is now helping the company to plan what business he can attract if he purchases another specialist machine and the company is looking at something entirely new – a plan to sell its products to end users via e-marketing.

**If you want to find out more about any of the areas covered in this case study
and how we can support your business – contact us today.**