

## **Case Study: How a Multi-Billion Dollar Energy Firm Improved its Industry Ratings and Profits**

### **The Client**

With operations all throughout the US, the client is a renowned, multi-billion dollar energy firm that provides electricity to several markets around the country. The client has prided itself on establishing company-wide standards that every business unit is held accountable for meeting.

### **The Situation**

Over time, one of the client's business units began to slip in standards and performance. The business unit ultimately fell in industry ratings, in addition to lost revenues from declined performance. To identify the root of the problem, the client asked Gaither & Company (Gaither) to perform an extensive study involving structuring and sorting key issues to arrive at tangible solutions.

We began by conducting a fact-finding campaign, in which we analyzed the business unit from top to bottom, examining issues across multiple dimensions such as leadership/management, behaviors, morale, operations, financial results, etc. The client then tasked Gaither with working side-by-side with them to develop and implement recommendations for lasting change across the business unit and the overall company.

### **Gaither & Company's Contribution**

We began examining and categorizing the various issues around the business unit. The client selected Gaither because of our hypothesis-driven approach to solving problems which involves a rigorous fact-finding process of identifying, grouping and resolving issues. As we began diving into the case, we found that the majority of the issues centered on the application and enforcement of the company-wide standards and the promotion of a better morale across the business unit.

As we did further analysis to understand the nature of the issues, we found that the business unit's leadership needed to take an active approach transforming the unit which involved fostering change on all levels, from management to staff personnel. We took our assignment a step further and developed detailed recommendations around promoting and reinforcing the company-wide standards, in addition to fostering a new sense of morale based on positive feedback and accountability for all tasks, whether critical or perfunctory.

### **Impact**

As we began to wrap up the final stages of the case, the client began to see tangible results across the business unit, such improvement in the unit's overall performance as well as each individual employee's performance. In addition, the client also found its personnel to have a renewed sense of passion to drive towards higher standards while promoting teamwork and unity across the firm. Each employee began to understand that their individual contributions make a difference across the company, and that collaboration is important at all levels of the business to bring about lasting value.

## **Case Study: How a Higher Educational Institution achieved additional Funding for Capital Projects**

### **The Client**

Located in the southeast US, the Client is a historically black college/university (HBCU) that has been operating for over 100 years.

### **The Situation**

The Client required the assistance of Gaither & Company for an extensive engagement involving the following tasks:

- Determine feasibility and impact of planned capital projects, and in some cases, resize and restructure the planned capital projects appropriately
- Develop financial strategies and structures
- Assemble teams to execute projects on budget and on time
- Identify and secure financing solutions to get projects developed by sourcing various private and public financing alternatives

The challenge of the engagement was two-fold:

- Rationalize a costly, complex, piece-meal debt structure with multiple creditors into a consolidated, cost-effective debt structure within thirty days
- Consolidate four distinct construction projects into one construction loan tranche of the overall financing also within thirty days

### **Gaither & Company's Contribution**

- Developed a financial plan that provided the Client and its working group for the financing with a clear outline of roles and responsibilities to achieve transaction closing
- Established critical deliverables such as a Term Sheet and Sources & Uses spreadsheet to summarize transaction components to facilitate the structuring process
- Negotiated relevant terms and conditions with the lender, bond insurer, bondholders and bond trustee for the refunding of five series of outstanding bonds with different bond covenants and call provisions
- Assisted the Client and its counsel in procuring Guaranteed Maximum Price Contracts for the "New Money" portion of the financing to complete and or start four construction projects critical to the College's Master Plan
- After financing was obtained, began project management oversight on the construction to ensure that the projects were completed on time and within budget

## **Impact**

We helped the client develop and implement a growth strategy that led to successful renovation and expansion of its campus, a goal the institution had for several years. The institution was able to attract additional students in addition to federal funding to increase its matriculation, operations and impact on the community and society.

## **Case Study: How a Real Estate Development Magnate Re-invented itself after a Recession**

### **The Client**

Headquartered in the southeastern US, the client is a real estate development firm that at one time managed many projects both domestically and internationally. The client has built a firm tradition over several decades of developing quality commercial and residential properties for medium to large businesses and institutions. In addition, the firm managed an internal private equity fund, and executed several transactions in both commercial and residential sectors of the industry.

### **The Situation**

As the recession of 2008 hit unexpectedly, financial markets were weakened worldwide, and as a result, many existing real estate projects stalled due to lack of funding, and the volume of new real estate development projects began to shrink. The client felt the impact of the economic crisis on all levels, as its existing clients abandoned development projects, and the client failed to raise capital for launching another private equity fund. The client attempted to wait out the recession for a couple of years by extending its remaining projects as well as selling follow-on work to some of these projects.

As the end of 2010 approached, the client realized that it could not maintain the same strategy much longer, and it needed to quickly identify new services to offer and new sectors to pursue in the real estate industry. To identify viable and growing real estate sectors, the client asked Gaither & Company (Gaither) to perform an extensive market entry analysis based on the client's competencies and resources.

Once we carefully framed a hypothesis for solutions to the client's current dilemma, the client decided to proceed. They asked us to collaborate with them as they embarked on an ambitious program to aggressively reinvent themselves and enter into burgeoning sectors.

### **Gaither & Company's Contribution**

An extensive market entry project on viable real estate sectors was our first for this client. The client selected Gaither because of our hypothesis-driven approach to solving problems, and rigorous fact-finding process of identifying and sizing desirable real estate sectors. The client also appreciated our ability to provide pithy recommendations that yielded prompt results. As we began

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diving into the project, we began to identify several sectors that were performing better than others due to the stimulus funding being earmarked for these sectors.

As we did further analysis to confirm which sectors were most complimentary to our client's current competencies, two immediately came to the forefront – Infrastructure and Manufactured Housing. We took our assignment a step further and developed detailed recommendations around how the client should enter these markets, and assisted the client in the framework for building customers pipelines for the respective markets. Our work on the market analysis resulted in a strong relationship and a natural transition to approaching prospective customers on the client's behalf.

### **Impact**

We helped the client understand the opportunities of various real estate sectors and how to immediately implement our recommendations for immediate results. We also guided the client's strategy for approaching prospective customers in the recommended sectors, bearing in mind the client needed to draw parallels between its competencies and the unmet needs of the sectors. As a result, the client began serious negotiations with a major conglomerate in the Infrastructure sector, and decided to retain Gaither's services for an extended amount of time. Over the course of several months, we worked alongside the client to define, develop, and deliver essential deliverables for acquiring customers:

- *Strategic Plan*
- *Investment Memorandum (for targeting funding sources)*
- *Detailed Customer Pipeline*

The company is now in the process of evaluating investment opportunities and Infrastructure development projects, guided by three principles:

*Agility:* The client will now understands the importance of thinking outside of the box, and adapting its business strategy to changing economic times.

*Creativity:* The client uses more ingenuity in its approach to securing customers, blending pioneering methods with its competencies to solidify deals.

*Innovative firsts:* The client now uses innovative processes developed by Gaither for qualifying prospective customers, and have found these processes quite helpful in saving time and resources.