



# Insightter



Summer 2001

## KEY MANAGEMENT NEWSLETTER & UPDATES

### STORM...

#### What makes us *different*?

Why are we different from other management consultants? There are five key reasons which set STORM apart from the pack:

#### 1. SUCCESSFUL CEO EXPERIENCE

The majority of our consultants have been successful CEO's or COO's. We have *solved the problems and have executed* on the actions we propose. Experience as the *decision maker* is our difference.

#### 2. ACTION AND RESULTS

Many consultants focus on defining the problems and evaluating alternative solutions. We focus on *actions and results*. The best plans without *prompt and skilled execution* are not worth much!

#### 3. LIBRARY OF REAL-WORLD SOLUTIONS

Our *extensive library* of real-world business practices and solutions, which has been developed over many years of successful management, enables us to *quickly implement solutions to effect change*.

#### 4. RAPID EXECUTION

We are interested in *quick results to effect immediate change*. Thus we approach situations with the end result in mind. We seek 80% solutions to effect change rapidly and move to the next opportunity. Accordingly, our engagements are typically for brief periods at a time, directing *quick solutions and results*.

#### 5. CAPITAL INVESTMENT

In those situations that fit STORM's investment criteria, we will *add capital and/or lead a refinancing or acquisition* of the company.

### Transitional Management

Transitional management is the process of reviewing plans, controls, tools, processes, management and programs during the changeover to new management.

When an owner or board of directors decide to make a change in the CEO, the company's performance is usually the key issue. The incumbent is let go and the search begins for the quintessential replacement, who will be looked upon to solve most of the ills of the company in short order. The reality of the situation is that the new executive is hampered by the same plans and poor information, and he is often surrounded by those who lack the necessary execution skills.

There are many areas to evaluate when key people are changed, for example:

- Is the company generating sufficient cash flow?
- Is the financial information accurate & timely?
- Are we gaining or losing customers?
- What is happening to GPMs?
- Is the pricing/costing appropriate; is money being left on the table?
- Does the company have a business strategy? Is it viable?
- Were the right people replaced?
- Is there a complete set of key operating statistics?
- Is benchmarking an active process?
- What infrastructure tools (policies, procedures, & checklists) are in place?
- Is the current method of going to market appropriate?
- Is the supply chain efficient and current?
- These examples are just a few of the areas of consideration...

The goal is for the company to move seamlessly to the leadership of the new executive. The new executive should focus on getting a few quick successes to build excitement and momentum. If

## Meet STORM's Newest Member

Brent Gillett recently joined the STORM team. As a Managing Director, Brent advises clients in business development, equity and debt capital placement and strategic planning. Mr. Gillett most recently served as Managing Director at Signal Partners, LLC where he advised clients on private placement financings, mergers & acquisitions, and strategic alliances. Mr. Gillett has extensive legal experience in securities regulation, corporate finance transactions, and mergers & acquisitions. He previously practiced law at Kilpatrick Stockton, LLP in the firm's securities and technology practice groups where he directed public and private securities offerings, structured venture capital financings for issuers and investors, and handled matters generally related to the representation of privately and publicly held companies.

Mr. Gillett also previously served as Director of the Marquis Fund, LP, a private investment partnership, and worked as Portfolio Manager for Marquis Capital Management, LLC, where he invested in small and micro capitalized publicly traded companies in the communications and technology industries. Mr. Gillett received his Juris Doctorate degree from Vanderbilt University School of Law in 1995 and a Bachelor of Arts from Duke University in 1991. He is a member of the State Bar of Georgia.

"We're excited about the addition of Brent to our team," commented Brian Esher, founder of STORM. "We can now offer our clients a new dimension of business savvy and expertise."

### Transitional Management (continued)

the signs of leadership emerge quickly, the performance of the company will likely improve, and it will be a positive environment for everyone.

### 50 Ways to Increase Your Gross Profit Margin

One of the most significant changes being driven by the Internet is on pricing. With the advent of widely available information, pricing information is more widely known than ever before. Furthermore, buyers have access to more suppliers, and thus they are using the Internet to reduce their costs.

The bottom line is that gross profit margins are under more pressure than ever before. Because of this, managers are seeking ways to increase their margins.

STORM has recently published **50 Ways to Increase Your Gross Profit Margins**, a thought-provoking tool for change. Give us a call for a free copy of this publication or visit our website at [www.stormconsultingllc.com](http://www.stormconsultingllc.com). Then get ready to watch your bottom line improve!

### Inflated Resumes

A startling number of applicants tell mistruths on their resumes. A recent study found that one in five applicants (executives included) awarded themselves fictitious degrees.

*For as little as \$5, an employer can find out whether that degree is for real by logging on to sites such as [www.edverify.com](http://www.edverify.com) and [www.degreechk.com](http://www.degreechk.com).*

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### STORM's Customized Training

STORM offers *customized* full or half-day training sessions based on individual company requirements. Topics for these sessions may include: Establishing Objectives, Gross Profit Margins, Cash & Asset Management and Expense Leverage. Each client's unique session focuses on a specific, measurable end result and on real-world action plans.

Call us and let's talk about how we can maximize your firm's abilities.

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### STORM's Website Updated

We recently updated our website. Visit **[www.stormconsultingllc.com](http://www.stormconsultingllc.com)** for more information about us, professional publications and *Insighter* newsletters.