

Insighter



Spring 2002

KEY MANAGEMENT NEWSLETTER & UPDATES

Delivering Rapid Results

At STORM, our strength lies in *operational execution*. We focus on producing *significant and rapid results* for manufacturing, distribution and technology related businesses. Below is a sample of our latest projects. Compare the outcomes with what you might be seeking in your organization, then give us a call for an assessment of your current situation.

Recently, we have:

- ? Performed due diligence & developed the purchase strategy for a medical information company. *The analysis and research resulted in a reduced bid from \$35 million to under \$10 million.*
- ? Developed plans for a multi-division logistics company. *Rationalized assets to increased net income 7x over current profitability.*
- ? Revamped the operations for a commercial services firm supporting utility companies. *Resulted in a short-term migration to profitability.*
- ? Performed supply chain review for a commercial construction equipment manufacturer. *Resulted in savings of over \$1 million.*
- ? Conducted due diligence of a multi-division public manufacturing & distribution company. *Resulted in the reduction of the bid by \$26 million – a 27% reduction. The bidder was successful.*
- ? Restructured operations in a safety distribution company. *Resulted in a 34% reduction of operating expenses.*
- ? Directed labor negotiations with 6 unions during an acquisition of a public manufacturing & distribution company. *Resulted in a savings of \$11 million annually.*
- ? Reviewed pricing and introduced selective changes for a telecommunications company. *Made it profitable in a single quarter.*
- ? Renegotiated \$16.3 million of capital leases for a manufacturing & distribution company. *Reduced the amount to \$4.2 million.*
- ? Introduced operational efficiencies and controls in a food processing company. *Resulted in quarterly profitability from the year before on lower sales.*
- ? Conducted a “quick assessment” for a prospective buyer. *Resulted in the discovery of significant problems that materially would change the financial results of the company. Buyer did not proceed with the acquisition.*
- ? Acted as interim senior management for a \$70 million manufacturing company. The company was losing more than \$10 million when we took over. *After the first six weeks, the company was operating profitably.*

Remember - STORM accepts only those assignments where we have relevant experience (for those types of companies which we have run), where we can deliver on what we promise, where we can offer cost-effective solutions, where we can achieve significant impact and where we have the ability to *meet or exceed expectations*. Let's get together and talk about *your* challenges and how the experience of our executive team can help facilitate change in *your* organization.

Walt Wilcox named Managing Director

Walt Wilcox, CPA was recently named full time Managing Director for STORM. Mr. Wilcox initially joined STORM as a founding partner and worked on a part-time basis while he fulfilled a long-term business assignment. At STORM, Mr. Wilcox will manage financial operations and oversee all financial areas of client work.

Mr. Wilcox has over eighteen years of experience in all aspects of financial analysis, operations and control. He has been an executive in numerous acquisition, due diligence and integration assignments. He has extensive experience in finance and management, including financial reporting, pricing, compliance reporting and financial information systems.

From 1999-2001, prior to joining STORM, Mr. Wilcox was vice president of operations for CAC, a wholesale distribution company. From 1994-1999, Mr. Wilcox served as vice president of finance for Pameco Corporation. He was a member of the team that successfully negotiated the acquisition of approximately 100 locations, and then led the financial integration efforts following the purchase. While he served as VP, he also managed the accounting, internal reporting and budgeting for the company's 350+ locations. Mr. Wilcox played an integral role in the successful IPO of Pameco Corporation in 1997.

From 1990-1994, Mr. Wilcox was a division controller of MLX RAC Group. He was a key senior manager in the management buy-out of some 25 operating subsidiaries and the subsequent formation of Pameco Corporation in 1992. Mr. Wilcox was also a principal agent in the turnaround and integration of these businesses into a single entity, forming one of the largest and most profitable businesses in its industry.

From 1982-1990, Mr. Wilcox served as CPA for Hopkins & Maxey, a public accounting firm.

Mr. Wilcox received his license as a certified public accountant and his AICPA membership in 1982. In 1979, he received a Bachelor of Business Administration degree in Accounting from the University of Toledo.

Internet Scams - Beware!

Wonder what the most popular online scams are? Internet-related complaints are common...watch out and don't get caught up in these top five problem areas.

<i>Auctions</i>	Buyer pays but gets wrong item or none at all.
<i>Internet Access</i>	A "free" deal has hidden charges, fat cancellation fees.
<i>Credit Card Fraud</i>	Adult-only sites want credit card data to verify age. Unauthorized charges ensue.
<i>Get Your Own Web Site</i>	Free for 30 days? Check your phone bill for charges.
<i>Modem Scam</i>	Download a "free" dialer to access adult sites, but fat charges still follow.

Lost Customers

"The number one reason companies lose business is customer neglect and indifference."

- 68% are lost because of indifference and apparent lack of interest by an employee.
- 14% leave because of unresolved complaints.
- 9% leave to buy at a lower price.
- 5% leave to buy from a friend or relative.
- 3% move out of the area.
- 1% are lost through death.

Dr. Anthony Alessandra

STORM Consulting, LLC 6075 Atlantic Blvd. Suite K-2 Crossings Center VI Norcross, GA 30071
678.291.9191 www.stormconsultingllc.com