



Critical and Rapid Operations Strategy Review - sell or invest?

Business challenge

The primary function of our client is to develop and industrialise conversion technologies for the manufacture of products using recycled carbon fibre for use by industries such as automotive and aerospace.

Our client invested heavily in the business over a ten-year period but unfortunately without a meaningful return on investment.

The situation reached a crucial decision point when our client's parent company was in the process of being acquired and their poor performance was causing difficulties.

In addition, separate approaches had been made to acquire the poorly performing operating unit.

Bourton Group was appointed to undertake a rapid assessment of our client's business, our objective was to determine if the restructuring of products, processes, and people would enable operations to break even in financial performance within two years.

The critical assessment focused on two clear options:

1. Retain the business and restructure it into a going concern
2. Dispose of the business in a managed and orderly fashion minimising the financial, commercial, and reputational impact

Our approach

Over a three-week period, we conducted a COVID-19 restricted desk top study of the business. Key features of our approach included:

- Rigorous baselining of the current business and performance
- Scoping of options and development and validation of sub-options
- Critical and objective review of each option and sub-option
- Criteria based assessment of each option and determination of recommendations

This was supplemented by very successful remote engagement (individually and collectively) of the local management team as well as other key stakeholders.

Benefits achieved

- We were able to provide clear, objective and unambiguous recommendations backed up with data and a transparent assessment approach
- Our ability to move at pace was essential to the decision-making process for the parent and enabled live disposal opportunities to be taken
- Our work helped resolve problems with the parent company acquisition that was subsequently and promptly completed



The tight timescales and sensitivity of the review meant that the project was challenging and Bourton worked very well to get the job done. The depth of their review matched the reality of our timescales – in that it was more than sufficient without being too in-depth (which would have taken far too long to achieve).

Bourton Group worked well with our management team to get data and set appropriate rigour of questioning and analysis. Our company used the review to support the decision to sell the UK operation.

Chief Financial Officer
Carbon Fibre Recycling Business