

RENAISSANCE

IN THIS ISSUE

2

From the Desk of
Dan Dooley

4

News Desk

5

New Engagements

6

Letting Go of the Legacy

7

The Key Drivers of the
Trucking Industry



THE COSMETICS INDUSTRY CAN'T HIDE FROM ECONOMIC DISTRESS

*By Mike Musso, Managing Director at MorrisAnderson, mmusso@morrisanderson.com
Including an interview with Howard Kreitzman, VP Cosmetics and Fragrances,
Bloomingdale's*

Consumer anxiety has been rapidly building since 2008. People fearful of losing their jobs and houses led to a chill in the economy — only surpassed by the nation's recent snow storms. The consumer goods industry has felt the effects of this trend especially hard, particularly in the luxury segment of the cosmetics and beauty industry. While it was thought that economic downturns don't affect spending by the super-wealthy, the current recession has proved otherwise. Prestigious brands now face the challenge of remaining viable.

Many multinational brands have also been affected by supply chain interruptions which worsen the effects of consumer belt-tightening. Many retailers were left scrambling when manufacturers couldn't deliver goods because of cash-flow issues and heavy debt. Empty shelves damaged brand and retailer images. Could this have been prevented or minimized? We believe the answer is "yes," through early communication and transparency.

In early 2009, I served as chief restructuring officer for a color cosmetics contract manufacturer. This 100 year-old company, the only U.S. producer of wood-case eye-liner pencils, faced significant liquidity issues caused by heavy debt leverage, rising

overhead costs, shrinking margins and poorly planned strategic initiatives. With no borrowing availability, the company faced a dire situation. The inability to secure raw materials had created a mounting order backlog, customer confusion, bank concerns and vendor tension. The company's survival was in question. After an assessment of company viability, we quickly sprung into action. With the support of all

stakeholders, we implemented a turnaround plan. Transparency was paramount to the plan's success.

Immediately, we did the unthinkable: We told our customers and vendors the absolute truth. The risk was evident: We could lose business if vendors and companies did not have faith in the company. But the plan was solid and included measurable benchmarks. We began to work on solutions, not blame. Customers and vendors offered full support.



Howard Kreitzman
VP Cosmetics and Fragrances,
Bloomingdale's

Several things made the plan a success, including: communication and transparency; operational and strategic changes, including cost cuts and assessments of all business lines; the selling-off of non-strategic assets; working-capital assistance from key customers; daily conference calls with each major customer's purchasing team to review progress; monthly financial reviews to update customers on financial and operational improvements; price increases with customer understanding; and the

RENAISSANCE

Since 1980, MorrisAnderson has been working with stakeholders to steer more than 1,500 underperforming companies toward operational and financial success. With an average of 25 years of real-world line management success, executives in finance, manufacturing, distribution and logistics, marketing and information systems are working in virtually every economic sector to maximize enterprise value.

Chicago

Dan Dooley*	(312) 254-0888	ddooley@morrisanderson.com
Jim Ross	(312) 254-0889	jross@morrisanderson.com
Howard Korenthal	(312) 254-0895	hkorenthal@morrisanderson.com
Ken Yager	(312) 254-0897	kyager@morrisanderson.com
Sid Lambersky	(312) 254-0893	slambersky@morrisanderson.com
Dave Mack*	(312) 254-0939	dmack@morrisanderson.com
Dave Bagley*	(312) 254-0920	dbagley@morrisanderson.com
Bob Wanat*	(312) 254-0919	rwanat@morrisanderson.com
Tim Czmiel *	(312) 254-0880	tczmiel@morrisanderson.com
Ed Bidanset	(312) 254-0880	ebidanset@morrisanderson.com
Craig Pace	(312) 254-0935	cpace@morrisanderson.com
Jason Paru	(312) 254-0922	jparu@morrisanderson.com
Aaron Gillum	(312) 254-0925	agillum@morrisanderson.com
Alpesh Amin	(312) 254-0926	aamin@morrisanderson.com
Paulina Caprio	(312) 254-0929	pcaprio@morrisanderson.com
Mark Iammartino	(312) 254-0933	miammartino@morrisanderson.com
Bruce Paul	(312) 254-0880	bpaul@morrisanderson.com

New York

Domenic Aversa	(212) 867-6868	daversa@morrisanderson.com
Lance Miller*	(212) 867-6868	lmiller@morrisanderson.com
Steve Agran*	(212) 867-6868	sagran@morrisanderson.com

Atlanta

Rick Kazmier*	(678) 538-6678	rkazmier@morrisanderson.com
Alan Brumbaugh	(404) 915-0252	abrumbaugh@morrisanderson.com
Mike Musso	(678) 538-6678	mmusso@morrisanderson.com
D'Andre Davis	(678) 538-6678	ddavis@morrisanderson.com

Milwaukee

Howard Korenthal	(414) 289-7152	hkorenthal@morrisanderson.com
Kevin Flanagan	(414) 289-7152	kflanagan@morrisanderson.com

Cleveland

Domenic Aversa	(216) 589-9440	daversa@morrisanderson.com
Mark Welch*	(412) 498-8258	mwelch@morrisanderson.com

Los Angeles

Sid Lambersky	(310) 403-7238	slambersky@morrisanderson.com
---------------	----------------	-------------------------------

St. Louis

Larry Hennessy*	(314) 854-9191	lhennessy@morrisanderson.com
Daniel Wiggins	(314) 854-9191	dwiggins@morrisanderson.com

Other Locations

Charlotte, NC	Bob Aquilino	(704) 331-3422	raquilino@morrisanderson.com
Denver, CO	Jeff Beunier	(303) 506-4807	jbeunier@morrisanderson.com
Minneapolis, MN	Terry Bartz	(612) 455-4555	tbartz@morrisanderson.com
Phoenix, AZ	Tim Shaffer*	(602) 469-5147	tshaffer@morrisanderson.com
So. Florida	Alan Glazer	(561) 498-5620	aglazer@morrisanderson.com
Wilmington, DE	Bob Troisio	(302) 937-9200	rtroisio@morrisanderson.com

* Certified Turnaround Professional (CTP) or Certified Insolvency & Restructuring Advisor (CIRA)

Renaissance is published every spring, summer and fall by MorrisAnderson. No charge for subscriptions to qualified individuals.

Marjorie Dunn, Editor & Publisher
mdunn@morrisanderson.com

Editorial and design: The Simons Group

For subscription information or service, or for hard-copy single copies or back issues, please contact Charlene Zielinski at (312) 254-0947 or e-mail czielinski@morrisanderson.com

Change of address: Send old and new addresses to *Renaissance*, c/o Charlene, 55 W. Monroe, Suite 2500, Chicago, IL 60603, or send all old and new contact information by e-mail to updates@morrisanderson.com.

©2010 All rights reserved. The contents of this publication may not be reproduced in whole or in part without the consent of the publisher.

PDFs are available at <http://www.morrisanderson.com/newsletter/Default.asp>.

MORRISAND

FROM THE DESK OF

Dan Dooley

REMEMBERING RESPECTED PROFESSIONALS, GREAT FRIENDS

*By Dan Dooley, Principal and COO at MorrisAnderson
ddooley@morrisanderson.com*



Early March was tough for me, personally, as I lost three friends in only eight days — two to sudden heart attacks and one after four months of fighting pancreatic cancer. Attending

weddings in my 20s was sure more fun than attending funerals in my 50s.

I thought I'd dedicate this short column to the two friends some of you knew from the insolvency industry: Bob Morris, who recently retired from MorrisAnderson in Chicago, and Will Kohn, who was a bankruptcy attorney with Benesch Friedlander in Cleveland.

Bob Morris joined MorrisAnderson in 1996 and retired in 2009. Bob and I were fixtures on the national conference circuit (ABI, NCBJ, TMA, CFA) together for about 10 years. Bob travelled nationally and was a tireless networker. He was incredibly helpful in establishing national brand awareness for MorrisAnderson and in introducing me to hundreds of professionals across the country.

Bob was a brilliant man with a tremendously positive attitude. He developed friendships naturally. He was very helpful to me throughout the challenges I faced while transitioning MorrisAnderson into a "real" business over the last 10 years. He was a great friend and I'll miss him dearly.

Continued on page 8

The Cosmetics Industry Can't Hide From Economic Distress, continued from page 1

development of working capital processes to ensure proper “cash planning.”

The result ... a company saved. The reality, however, is that in the future, many companies in similar situations won't survive; management will put their heads in the sand until it is too late. Vendors and customers share the problems business distress creates; why shouldn't they also share the solutions?

Against this backdrop, I asked a few questions of Howard Kreitzman, a cosmetic industry veteran and friend who is Vice President, Cosmetics and Fragrances for Bloomingdale's and General Manager for all aspects of the company's national beauty business.

Q: What is the biggest difference in this recession vs. others that the cosmetics industry has faced?

A: In the past, the beauty and cosmetics business has been essentially recession-proof. There is a theory, first suggested by Leonard Lauder that, in difficult economic times, women will continue to buy lipstick regardless of what they had to forgo to do that. In this recession, that has not been the case. Interestingly, the fragrance business has been the hardest-hit of all categories.

Q: What suggestions do you have for vendors and manufacturers that may be facing liquidity issues through this crisis?

A: It is crucial that our suppliers are completely forthright and transparent with us, not only on liquidity issues, but also on any critical problems they face that will ultimately affect us. The common characteristic of the suppliers we stay in business with is their openness, and the quality and frequency of the communication we receive. Conversely, we have exited relationships with brands that were not true partners.

Q: While contract manufacturing is core to the cosmetics industry, what changes do you see in the future for this niche-manufacturing segment?

A: Although our routine dealings with contract manufacturers are limited, we are well aware of the problems that

our direct, branded suppliers face with them. Given the current economic conditions, it would seem that this segment is already in a period of consolidation, driven by smaller demand and the pure economies of scale. For a niche player to survive and prosper, they must truly fill a unique need in the marketplace, offering a product that either no one else makes, or that no one else makes as well. The key to this has to be product innovation, which can manifest itself in product, packaging or delivery systems.

Q: Why have some vendors performed better than others through this downturn?

A: There are multiple reasons for the success of some brands. First, the brands whose businesses were built on a solid foundation of product offerings across several key categories fared better than those with a singular focus. Within beauty there has always been, and will continue to be, an ebb and flow of the business across different segments. The beauty industry is one of partnerships; the brands that kept us well-informed built strong relationships.

Q: What do you see as the future for prestige brands as consumers have pulled back their spending?

A: There are a number of implications to this pull-back, and in all likelihood, it will define the new normal. First, the demand for value has become enormous, and plays through all segments of the business. Customers are responding very strongly to gift-with-purchase offers that have more free pieces and offer them choices.

High-end prestige brands (Crème De La Mer, Sisley, La Prairie, etc.) were the first brands to suffer declines, and have been the first to return, albeit in a somewhat different way. Today, we are seeing a shift in spending for smaller sizes and newly introduced value sets and travel sizes. The categories that continue to suffer are the cleansers, toners and other secondary products that can easily be replaced with far less-expensive alternatives.

Finally, industry consumer research tells us that most customers are spending less on their beauty products and many have traded down to drugstore and mass-market products for at least some of their needs. If you visit a Duane Reade, or CVS in New York, you will find that they have dramatically upgraded their cosmetics areas, added brands, and most significantly, added beauty advisors. These developments are a major threat to the prestige channel of distribution. Conversely, they provide tremendous opportunities for the mass and drugstore segments.

Q: What do you see as critical to future survival in the contract cosmetics manufacturing space?

A: There's nothing magical, or particularly unique to this business. Quality managers who keep their employees and customers well-informed about the company's goals and performance; who consistently and successfully introduce new products; and who develop solid, long-term partnerships with their customers will win.

Q: As a retailer, what do you expect from vendors experiencing crisis?

A: Tell us what is happening, what we can expect in terms of our product supply and do it as honestly and forthrightly as possible. When there is a crisis, there is nowhere to hide, and the damage that can be done to a business relationship through lack of communication may never be repaired.

Howard Kreitzman

Howard Kreitzman's background includes more than 35 years of diverse retail experience in department stores, international duty-free luxury goods, and multi-venue specialty retail environments. Since 2003, he has been Vice President, Cosmetics and Fragrances for Bloomingdale's, and General Manager for all aspects of the company's national beauty business.



Dan Dooley, Chicago-based Principal and COO of MorrisAnderson, will be part of a panel on May 1 at the American Bankruptcy Institute's (ABI) 28th Annual Spring Meeting at the Gaylord National Resort in National Harbor, Md. The panel will discuss "Strategies in Real Estate Workouts, Including Valuation Issues, Section 1111(b) Elections, Single-Asset Real Estate Issues and Other Cutting-Edge Issues." Dooley will also serve as a panel member at the ABI's Midwestern Bankruptcy Institute on Oct. 1 to again discuss real estate issues.



Ken Yager, Chicago-based Principal of Morris Anderson, moderated a Turnaround Management Association Webinar on March 9 on the status of the media industry titled, "Darwin on Media – Not Everyone Can Survive." On Dec. 4, 2009, Yager spoke on the topic of "Growing Your Business in Difficult Times" at the Exhibit Designers & Planners Association "ACCESS '09" show in Palm Springs, Calif.

Minneapolis Office: MorrisAnderson is pleased to announce that we have opened an office in Minneapolis, to be headed by Terry Bartz, Managing Director (see profile at right):

MorrisAnderson

900 IDS Center

80 South Eighth St. | Minneapolis, MN 55402 | Main: (612) 455-4555 | Fax: (612) 435-4756

New York Office: Our New York team is proud to announce that they have recently moved to a new location in the heart of Times Square:

MorrisAnderson

1540 Broadway, Suite 3940 | New York, NY 10036



Domenic Aversa

Principal



Steve Agran

Managing Director



Lance Miller

Managing Director



Kevin Flanagan has joined MorrisAnderson's Milwaukee office as a Managing Director. His executive management experience extends into several industries,

including manufacturing, printing, software, electronic instrumentation, telecommunications, automotive, biotechnology, professional services and consumer packaged goods. Flanagan's more than 30 years of wide-ranging experience strengthens MorrisAnderson's standing as an industry-diverse consulting firm.

As an experienced turnaround consulting professional, Flanagan has enacted successful strategic and operational changes in publicly traded and closely held corporations, as well as structured and entrepreneurial environments. Flanagan's previous positions include partner at a Chicago-based management consulting firm, where he was the head of the firm's Milwaukee office; CEO of a software company; and founder of an acquisition company. He has also held CFO and COO positions.



Terry Bartz has joined MorrisAnderson as a Managing Director. Utilizing his business management, operations and business consulting experience, Bartz has helped companies

restructure and optimize operations in a wide variety of industries — including information technology; telecommunications including contact center management; human resource outsourcing; real estate development; commercial construction; and business services.

Bartz' extensive entrepreneurial and executive management experience includes business strategy, investor relations, securing private investments, business expansion, marketing communications and overall turnaround facilitation.

Prior to joining MorrisAnderson, Bartz held executive positions as Principal, COO, EVP, General Counsel and Controller.

NEW MORRIS ANDERSON ENGAGEMENTS

Neenah Enterprises Chapter 11

The Unsecured Creditors' Committee of Neenah Enterprises, a \$350-million foundry, chose us as financial advisor in the company's Chapter 11.

Yellow Pages Business Mentoring

This \$15-million business chose us to provide financial management mentoring to the owner-operator.

Convenience Store Chain Assessment

The lender of a \$650-million convenience store and gas station operation chose us to do a business and financial assessment of the company.

Prepaid Credit Card Company Assessment

The lender of a \$30-million prepaid credit card business chose us to do a business and financial assessment of the company.

Fast-food Restaurant Chain Workout

This \$100-million chain retained us to develop a workout plan and negotiate with its lenders.

Schwab Industries Chapter 11

The bank group of this \$80-million concrete company retained us in this Chapter 11.

Gulfstream Crane Chapter 11

This large construction crane leasing company retained us as financial advisor to develop a viable plan of reorganization.

Specialty Packaging Company Chapter 11

We are acting as the chief restructuring officer for this \$40-million cosmetics business, which we are selling in a 363 process.

LED Sign Producer Workout

We are advising this \$25-million business on its workout plan.

Point-of-sale Display and Cash Register Company Workout

We are assisting this \$25-million business with a workout plan.

Opus Northwest Sale

We are marketing this \$600-million real estate developer and its portfolio of properties for sale.

Apartment Building Receivership

We are acting as this organization's Illinois state-court-appointed receiver.

Fundamental Provisions Chapter 11

We are acting as the chief restructuring officer in the Chapter 11 of this \$30-million fast-food chain (owner of Popeye's).

Nursing Home Chain Assessment

We are doing a business and financial assessment for this \$40-million business on behalf of its lender.

Fencing Distributor Assessment

We are acting as financial advisor for this \$500-million business.

Defense Instruments and Maintenance Company Assessment

We are doing an assessment of this \$20-million business.

Radio and TV Broadcasting Company Workout

We are acting as financial advisor in the workout of this \$75-million business.

Metal Binding and Thermoforming Company Assessment

We provided a business and financial assessment of this \$50-million business.

TLCVisionSM Plan Monitoring

We acted as plan monitor for this \$275-million laser vision center business.

TRANSACTIONS COMPLETED

- Mike Musso and Alpesh Amin completed the refinance of Wallace Hardware with Regions Bank and Clayton Bank.

LETTING GO OF THE LEGACY: WHAT MEDIA COMPANIES MUST DO TO SURVIVE

By Ken Yager, Principal at MorrisAnderson, kyager@morrisanderson.com



Ken Yager

The Pope, a figurehead not exactly known for his tech savvy, recently encouraged priests around the world to spread the word of Catholicism through digital communications. When the Vatican

embraces new media, it's safe to say that legacy media companies — print and broadcast — are behind the curve if they have yet to make a successful jump to digital.

The urgency of this call to action is painfully clear. The Pew Research Center's Project for Excellence in Journalism called its latest "State of the News Media" report "the bleakest" in the report's history. Newspapers, magazines and radio have seen unprecedented advertising revenue losses, bankruptcies and layoffs. The report attributes the accelerated decline to economic turmoil and the breakneck pace of "audience migration" to the Web.

The problem, the report says, lies not in attracting audiences to legacy media's online properties, but in finding effective online revenue strategies — as online natives such as Google have done so well. Unfortunately, the supply of online advertising space far exceeds the demand, and many consumers are still unwilling to pay for online news content.

If the current media consumption habits of younger demographics remain, legacy media will continue on a downward spiral — unless successful digital reinventions occur.

Legacy media companies must be mindful of their inherent strengths and the unique hurdles they face in the digital realm. Relevance, specificity, timeliness and exclusivity are crucial to online media

success. Let's review the examples of Newspapers A and B. Both faced dire straits: Departments were bloated, subscription and advertising rates were down and online advertising revenue was inadequate.

Newspaper A cut half of its editorial department and began requiring a paid subscription to view its online content, but otherwise maintained its business model. Newspaper B realized that its content was valuable to a smaller, more niche audience. It eliminated a small number of non-editorial positions at the paper to balance decreased print subscription, maintained editorial quality, which its Web site visitors were willing to pay for, and altered its editorial strategy slightly to ensure its "sweet spot" audience remained engaged.

Thanks to Newspaper B's specialized strategy, over time, it was far more successful in securing paid online subscriptions and was able to demand more from advertisers. Newspaper A did neither, and its cash-flow situation became so bleak it didn't have the liquidity to invest in the additional changes needed to stay afloat. Without a clear new media strategy in place, attempts to restructure and sell the newspaper were futile as the market for mostly legacy assets had become nearly nonexistent.

Similar situations have played out across several areas of legacy media; those that survive identify a relevant niche, employ a targeted digital strategy and minimize investment in legacy assets. Newspapers must focus on one of their three legacy verticals: content creation, content management or content distribution.

Magazines must create timely, more specialized online properties than their sister print publications. Online-only communities, blogs and other interactive Web 2.0 features, plus up-to-the-minute content, will draw larger,

more engaged and more targeted audiences — and therefore higher advertising rates.

Like magazines, radio stations can find their niche online by creating content for specialized audiences within their larger broadcast audience. Radio has the unique ability to deliver a very personal, local story through multi-media/social media channels, but radio executives must change dramatically and hire social media staff to do this.

The change may be a tough pill to swallow. Many media companies are saddled with legacy costs such as printing infrastructure and antiquated management teams. Media property leveragability has fallen by nearly 50 percent in the last three years, according to several investment banking sources, and new debt issuance costs are higher than ever before. Moody's predicts that default rates in the media industry may soar as high as 24 percent in 2010.

Rather than wait for the legacy media market to rebound — it won't, at least as we know it today — companies must proactively veer in a new, digital direction.

Standard cost-cutting measures will be too little too late. For management teams struggling to keep up with the changes, the intervention of outside expertise can increase the chances of survival or glean the most value in a sale.

By seeking help from outside experts, media companies may have greater success when restructuring, working with their lenders and re-strategizing to maximize enterprise value. Since the market for viable media company sales is dismal, company owners and stakeholders must find other ways to come out on top. For companies in crisis-management mode, specialists can help identify the best solutions for debt renegotiation, whether they involve settlement in or out of court or liquidation through Chapter 11 bankruptcy.

THE KEY DRIVERS OF THE TRUCKING INDUSTRY

By Steve Agran, Managing Director at MorrisAnderson, sagran@morrisanderson.com



Steve Agran

The consolidation of the trucking industry has been an evolution. The buildup during the 2000s was like everything else in the economy at that time — quite amazing. This buildup, spurred

by economic expansion, was different than the buildup of consolidation in the 1990s; the most recent expansion was fueled by debt leverage — which ultimately proved to be the industry's downfall.

As Class-8 tractor and engine manufacturers met U.S. Environmental Protection Agency (EPA) requirements, the cost of tractors increased, while conversely, resale values declined. The cost of insurance and the letter-of-credit (LC) requirements for workers compensation and auto liability insurance also created a margin squeeze, forcing trucking companies to operate on ultra-thin margins. The leverage, along with the thin margins, left the industry vulnerable.

In second quarter 2008, fuel prices increased by as much as 25 cents per gallon, per week at times. The fuel surcharge clauses in customer contracts (assuming the clauses existed) could not keep up with the cost increases, and as a result, these costs cut into company margins. This situation exposed problems in the trucking industry, which had been hidden by the ever-expanding economy. The current economic recession has further exposed these problems.

How does a trucking company respond to these continuing hits? Unfortunately, trucking — like almost all industries — simply over-expanded and now needs to shed excess capacity.

Based on my experience, trucking companies should focus on three key business drivers to sustain profitability: fleet maintenance; route concentration/dead-head time; and safety and insurance.

Fleet maintenance

An average tractor manufacturer's warranty is four years and 500,000 miles. Repair and maintenance costs are much cheaper — roughly 6 cents per mile — during the warranty period than after it expires, upon which costs jump to about 14 cents per mile. While this is not an exact science, trucking companies must ask themselves: Is the continued operation of cabs that have exceeded their warranties worth it?

If regular, preventive maintenance is performed, the answer may be yes. Preventive maintenance can create huge long-term cost savings, and tractors should

In trucking company turnaround scenarios, turnaround professionals will recommend that excess fleet be eliminated, typically by selling these and other under-utilized assets at auction.

receive quarterly roadside maintenance, as well as tune-ups, about every six months from the company's maintenance team.

If, however, at the point in which turnaround specialists become involved, repair and maintenance efforts have slipped and cabs

are operating well beyond their warranties, extensive and costly repairs are on their way. These can harm customer service and exceed yearly debt obligations.

In trucking company turnaround scenarios, turnaround professionals will recommend that excess fleet be eliminated, typically by selling these and other under-utilized assets at auction. While selling older equipment may not bring the highest returns, it will reduce the age of the fleet, monetize the fixed assets and force the company to increase utilization of its youngest and best assets.

If equipment must be replaced, we recommend that companies purchase 3-year-old tractors, which typically provide a two-year operational window during which major costly repairs are not needed.

Route concentration/dead-head time

The single-biggest area of opportunity and improvement within a distressed trucking company is in the area of costs associated with route concentration and dead-head time — the driving time between drop-off locations and pick-up locations, when trucks travel without freight. While dead-heading, no freight revenue is generated, but fuel, driver and asset wear-and-tear expenses are incurred. The long-haul carrier industry spends an average of 5 percent to 15 percent of its driving time dead-heading. While some companies build dead-head time into their prices, it can become difficult to pass along excessive dead-head costs.

To avoid these unnecessary costs, maintaining lane and route integrity is crucial. Successful trucking companies ensure drop-off points are also pick-up points, to minimize dead-heading whenever possible.

In a distressed trucking company, the culling of bad routes will improve profitability. Avoiding dead-heading

Continued on page 8

*From the Desk of Dan Dooley,
Continued from page 2*

Will Kohn was a top-tier, middle-market bankruptcy attorney. I first met Will 12 years ago and learned firsthand over many deals what a great attorney and person he was.

Will was a tireless worker and a fierce advocate for his clients. He was a long-time volunteer for numerous professional associations, including the ABI and the ABC. Will was the type of guy who would give you a project referral and expect nothing in return except a good job. He was also a great friend and I'll miss him dearly as well.

Bob and Will had very successful professional careers and have great families that they cherished more than anything. I am proud that they were my friends.

The Key Drivers of The Trucking Industry, continued from page 7

completely isn't realistic, but the scheduler and sales team need to understand the importance of maintaining the route integrity to minimize it.

Safety and insurance

The trucking industry is an extremely dangerous business. A tractor-trailer moving down a highway at 55 mph can be a ticking time bomb. While fatalities are infrequent given the miles driven, they are a statistical reality. Additionally, workers' injuries caused by the loading and unloading of freight are an insurance/safety concern. Risks such as these are especially dangerous for financially distressed trucking companies.

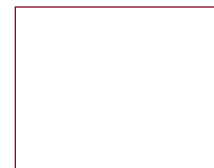
It is imperative that turnaround managers involved with these companies ensure the existence of a comprehensive safety program, which permeates the fabric of the company. Safety plans save lives and keep people healthy — with cost-savings being a favorable byproduct. A committed safety program lowers insurance costs and reduces the need to fund large LCs as security for your insurance carriers.

The trucking industry is working its way through very difficult times. As turnaround professionals, we need to understand the key business drivers of trucking companies. The equipment, drivers, routes and safety are essential elements in developing an understanding of the company you are advising. At a minimum, these areas must be aligned to ensure success.



55 W. Monroe, Suite 2500
Chicago, IL 60603

Return Service Requested



Route to:

