

# Ukrainian Industrial Company

## Chief Financial Officer

The \$100 million Ukrainian subsidiary of a publicly traded \$3 billion global industrial company was struggling following a global financial crisis. The subsidiary was the company's flagship investment in the country.

### Situation

- The financial crisis led to a significant currency devaluation.
- The devaluation drove the inflation rate to 20%.
- The subsidiary's cash flows turned negative as a result of the economic turmoil.

### Turnaround & Restructuring Initiatives

- Contract negotiation
  - Led re-negotiation of the subsidiary's largest multi-million-dollar sales contract, achieving a CPI+100bps monthly pricing adjustment, reduction in DSO by 60 days, and increases to annual free cash flow of \$2 million.
- Business model revisions
  - Led the team to launch two new business lines, increasing revenues by 20% and landing stable international brands under long-term contracts.
- Cash flow, cost containment, and margin improvements
  - Implemented weekly cash flow forecasting and controls, restoring the business to positive cash flow and a healthy operating margin.
- Restructuring plan development and execution
  - Reduced headcount from 300 to 200, saving two manufacturing plants from closing.
  - Negotiated \$10MM in annual purchasing savings across the entire supply chain.

### Results

- The return to profitability allowed the subsidiary's parent to maintain its image as a key foreign investor and community partner.
- As CFO, was named Chairman of the subsidiary, with full P&L responsibility. Served as the face of the parent company in the national market, resolving critical crisis communication challenges.
- The business became the national market share leader.