

# Case In Point



## CHALLENGES

- Family ownership struggled to make difficult decisions and created low moral with all middle managers.
- Poor historical operating performance resulted in liquidity issues.
- All company loans were placed in special assets requiring an immediate solution.
- Escalating resin costs contributed to continued losses.
- Poor vendor relations resulted in multiple court approved judgments.
- Lack of inventory control, MRP and updated cost analysis drove poor margins.
- A commodity-based product mix sold to dollar store type customers resulted in a highly competitive market.
- Antiquated information systems did not provide the accurate information needed for proper decision processes.

## INDUSTRY

- Plastic Injection Molding

## SERVICES

- Interim Chief Financial Officer,  
Financial Advisor to Debtor

## SOLUTIONS

- Aurora was hired as interim Chief Financial Officer to solve the operational and liquidity issues.
- The company immediately filed for Chapter 11 bankruptcy protection to facilitate a restructuring.
- Aurora sourced Debtor-in-Possession (DIP) financing to provide liquidity during the bankruptcy process.
- Aurora drove an effort to design and implement an inventory control and MRP system.
- Aurora managed cash collateral and DIP financing to satisfy supply issues during the bankruptcy.

## RESULTS

- A sales decline could not support the restructuring plan forcing Aurora to quickly convert to a controlled liquidation.
- Working capital was closely managed to ensure proper wind down of inventory, collection of receivables and pay back of the DIP facility.



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