

Restructure & Re-organisation Case Study

Andreas (Andy) Etherington is an experienced Chief Executive with a record of achievement in leading and developing multi-site operations in the healthcare and consumer

sectors. He has significant experience in managing complex change, turnaround, acquisition and disposal programmes, against a background of diverse stakeholder groups.

In this case study we explore Andy's contribution, as Interim Chief Executive, at a provider of elderly residential and domiciliary care.

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The Situation

The company was a multi-site residential care home operator, as well as a supplier of domiciliary and supported living care. The business was formerly local authority owned and was thus very much

on the local politicians' and trades unions' radar. The company had lacked investment for a number of years, occupancy was falling and the financial affairs had been poorly managed.

The statutory accounts were long overdue, basic book-keeping had been neglected.

The company was loss making and heading toward insolvency.

The Task

An interim manager was needed to take control of the business, work closely with the external advisors (one of the UK's top three accountancy firms)

and then instigate a re-structure and re-organisation programme, in order to return the company, first to a cost neutral and then into a

surplus position. This had to be completed within a tight timeframe of 120 days, in order to obtain ongoing funding to ensure that the company remained solvent.



The Approach

Working closely with the senior management team, trustees, the major customer groups, suppliers and the external consultants, Andy undertook a range of initiatives:

Working closely with the Operations Department and the HR Department new shift patterns and manpower plans were developed, leading to a reduction in care hours.

Agency and bank hours were tackled in order to reduce excessive use of agency staff.

Sickness absence was reduced by reviewing the sickness policy and introducing "return to work" procedures.

Head Office operations were re-structured leading to a staff reduction.

Three under performing care homes were

identified and a closure programme developed.

A redundancy programme was devised.

A monitoring system of KPIs was introduced.

Complex negotiation with the creditors, both banks and suppliers, were carried out in order to match payments with cash flow.

Management accounts were produced.



The Result

"The company was returned to profitability. Alternatives for the company's future were developed"

Three homes were closed, with maximum consultation with the residents, their relatives and local authority caseworkers. It is widely recognised that such action can be extremely distressing for elderly residents; nonetheless this proceeded smoothly and with minimum negative impact on the physical well being of the

residents.

New shift patterns and manpower plans led to cost savings.

New care hour plans were introduced; moving the company to the upper quartile of the industry average, in terms of efficiency.

Staff were evaluated, re-graded and re-assigned.

The company was returned to profitability.

Alternatives for the company's future viability were developed.

Andy was asked to stay on beyond the 120 days, to give support to the senior management team and to assist in the recruitment of a permanent Chief Executive.



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