

Project Mountain

Exit Management

Business Situation

Monitor Group was a global consulting business specialising in strategy and executive education. In November 2012 it filed for Chapter 11 Bankruptcy in the United States and in January 2013, was acquired by Deloitte member firms via a special purpose investment vehicle (“SPV”). Following the acquisition, Deloitte’s UK Corporate Simplification Team has worked on the international restructuring of the group, including winding up legacy Monitor businesses across territories in Europe, Asia, and Africa.

Engagement Description

As part of the restructuring we have:

- Provided strategic advice to the board of the SPV on the options available for exiting businesses in South Korea and Morocco, and conducted the supporting due diligence.
- Designed, implemented and managed an accounts payable protocol to control the restructuring budget.
- Been responsible for the finance and corporate governance functions of the Monitor businesses which are being wound up.
- Provided advice on the options available for exiting an onerous property lease and leading negotiations with the landlord.
- Designed and implemented a programme of debt waivers and recapitalisations to restore businesses in Greece, The Netherlands, Malaysia, Thailand, Spain and the UK to solvency prior to entering a formal liquidation process.
- Worked with specialist local teams across Europe, the USA, Asia and Africa to coordinate and achieve the orderly winding up of 18 Monitor Group entities.

Critical Success Factors

- Quickly understanding the financial reporting, tax compliance and legal obligations of the entities across all of the territories.
- Working with Deloitte tax specialists to assess the tax consequences of debt waivers and other restructuring steps.
- Understanding and simplifying a complex series of inter-group balances.
- Alignment with the legal requirements of formal insolvency processes across all of the jurisdictions involved.
- Rapidly develop and maintain sound working relationships with local specialists across all the territories, to achieve an expeditious winding up of the group.

Results and Benefits

- Tax returns, financial reporting obligations and corporate governance tasks met across the different businesses.
- Assets realised and value redistributed to the SPV.
- Consistent application of the deal structure resulting in control of the restructuring budget.
- Cost savings of circa \$1m as a result of advice in relation to exiting the South Korean business.
- To date entities have been successfully eliminated in The Netherlands, Malaysia, Greece and Turkey.