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Conway MacKenzie, BT&T Join Forces Mutual Benefits from Transatlantic Affiliation

by David Buzzell

Two turnaround firms – one a veteran in the U.S. and the other a new face in Europe – are joining forces in a transatlantic venture that both anticipate will be mutually beneficial. Earlier this year, Conway MacKenzie and Bryan, Tappy & Tilley (BT&T) signed an affiliation agreement.

Conway MacKenzie has long been a presence in the Midwest, providing turnaround services to middle market companies since its founding in 1987 by Van Conway and Don MacKenzie. The firm opened an office in Shanghai in 2005, set up shop in New York and Atlanta in 2007, and will soon open offices in Houston and Los Angeles. According to Conway, an affiliation with BT&T is a good fit with Conway MacKenzie's long-term business plan. "We want to stay in the middle market space – it's our strength – but we really need geographic coverage."

Conway continues, "With our affiliation with BT&T, we've got Europe covered. We've got a platform of offering professional personnel without the cost of putting them on airplanes. BT&T provides us with a greater awareness of the local dealings and the nuances of the markets in Europe."

BT&T was set up last November, but its founders are old hands at the turnaround business. One of BT&T's founders, Alan Tilley, was Managing Director of Glass & Associates' European operations until Glass's acquisition by Huron Consulting Group in 2007. Tilley remained with Huron to groom his successor in preparation for retirement, which came 14 months later. Tilley's retirement didn't last long. As he recounts,

"After my retirement, two former Glass executives called and asked me to help set up another venture." Tilley agreed, and with that call, BT&T was born.

BT&T's affiliation with Conway MacKenzie came later when Tilley met up with Conway in New York. "I put it to him that there were a lot of mutual benefits to both of us. We had European expertise and knowledge and needed a U.S. partner. He needed a European partner, so we took it from there. We signed an agreement in January and we're off and running."

Conway was equally sold on the arrangement. "I've known Alan for many years. He's a good guy. We've had some common dealings, and his organization has done some good work in Europe and the automotive industries. As our practice grows, we will have a need from time to time to have dedicated resources in Europe. He likewise needs the same thing for European-based companies with U.S. operations. We supplement each other's respective teams. He's got people on the ground in Europe and, of course, we have an American team. It's actually a pretty good fit for both of us."

Conway adds, "If we need four or five people over in Europe, it's easier for us to make that commitment if we have this exclusive affiliation instead of having to ship people from the U.S. over to Europe. There are cost benefits to the client and both our firms have a better, more efficient coverage of operations on both continents."

BT&T has two main offices. One group of five senior professionals work near Frankfurt. A second group of seven key people are based in London. "Our team is a carefully selected balance

of competencies and languages," says Tilley. "We have a mix of CEOs, CROs, and CFOs, and we knew we had to have English, German, and French covered particularly. We also have a link with a team in Spain. We can call on them as well."

More importantly, the affiliation allows the two firms to better serve their clients. "Basically, the client is getting one company with a common philosophy," says Tilley. According to Tilley, both BT&T and Conway MacKenzie "operate from a senior professional model that doesn't leverage up jobs with younger people." Consequently, "our chain of command is shorter and our experience level is higher, with senior professionals who have run companies in distress." According to Tilley, the senior professional model is "much more cost-effective because training costs aren't built into the fee structure, which is inevitable with a leveraged model."

Conway MacKenzie's average professional has 20-30 years of experience, says Conway. "We don't have a pyramid model, with a 40-50 year old guy at the top and a group of young people at the bottom. That's not our model. We don't hire anybody out of college. Our youngest professional is close to thirty years old, with eight years of experience prior to joining us."

Tilley says that both BT&T and Conway MacKenzie have a "developed skill set" with manufacturing companies. "Between us, we have done more auto supplier restructurings than anyone around." He notes, however, that "we work with a lot of other industries as well, including printing and laboratory equipment."

His firm is just gearing up, Tilley says. Inquiries are building and BT&T has started working on a couple of assignments. "The liquidity situation is just beginning to unfold. In the auto industry, there is a lot of uncertainty as to whether the government is going to step in and provide funding. There is uncertainty about whether GM Europe will be thrown to the wolves. We are in a period where people are looking for solutions, so our phones are quite busy."

The same can be said for Conway MacKenzie. □

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