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*“A corporation is a living organism; it has to continue to shed its skin. Methods have to change. Focus has to change. Values have to change. The sum total of those changes is transformation.”
- Andrew Grove, former Chairman, Intel Corporation.*

“It’s very hard to get organizations to change. And it takes really a very powerful mandate to force things to happen.” John Malone, Chairman, Liberty Media Corporation.

Unfortunately for some businesses, “*very powerful mandate[s]*” for change don’t come from business owners; they come from lenders. Cash flow shortages and operating losses are not problems; they are symptoms of structural and organizational weakness. Those weaknesses can range from lack of leadership from the Board Room to poor customer satisfaction from the Mail Room.

Don’t be a statistic.

According to the US Census Bureau, in 2004 (latest available) over 12,400 businesses with 10-99 employees died – in the Southwest (Arizona, California, Nevada and New Mexico) alone. Over 105,000 Southwestern businesses died in all. According to the American Bankruptcy Institute, nationwide business bankruptcies have increased 45% for the first six months of 2007 compared to 2006. Business births and deaths are a natural part of the economy. Everyone accepts that - unless it’s your business.

Every business provides a product or service the business owner hopes will be accepted by the market so that profits will take care of business needs and the owner’s personal needs. Successful business owners know that owning a business and managing personnel takes a lot more than product sales – 105,000 former business owners in the Southwest learned that too in 2004.

What went wrong, really?

Business owners in distress may realize (or not) all too late that financial difficulties are the results of much earlier failures to:

- Plan for the effects of management decisions on – marketing, sales, products and services, balance sheet, profit, cash flow, and business succession;
- Hire, educate, train, provide necessary tools, and compensate personnel to be “A” players;
- Continually accumulate market knowledge;
- Continually improve competitive advantage;
- Design powerful standard practices to lower the costs of doing business;
- Design systems to provide for accurate, timely information (not just data) for better operational and financial choices;
- Develop operational and financial metrics from which to measure success;
- Capitalize with financing appropriate to the business; and
- Engage expert help.

Living with financial difficulty compounds the costs of doing business. It takes more time, money, energy and lost opportunities to live in crisis management than it does to manage a successful, powerfully-designed business. Most business owners and employees are not comfortable coping with difficulty. Many only know to work harder doing more of the same and hope it will all work out. Hope is not a successful strategy.

What are the options for a small to medium-sized business in financial distress?

There are “Turnaround Management” specialists and there is always bankruptcy reorganization that offer help to troubled businesses. But, turnaround management specialists and bankruptcy reorganization are normally an option only for large businesses - the fees are just too costly for small to medium-sized businesses to survive. Even if a business could survive the fees, the strategies for turnaround specialists are short-term and simple: Strategy #1 – Cut expenses to the bone. The largest expense for most every business is its personnel, so the quickest cost reduction is to cut headcount. Strategy #2 – Generate cash fast. That means sell anything and everything not essential to the business, including accounts receivable at a discount. Cash raised is used to pay turnaround specialist fees and, if there is enough left, satisfy lenders and key vendors. Bankruptcy is similar, except that it prevents lenders and vendors from talking directly to the business about collection of their old debts – instead they talk to their lawyers, who talk to the bankrupts’ lawyer, and the business gets to pay for all the lawyers. If the business survives the bankruptcy/turnaround strategy, business owners are left with little intellectual and financial capital to correct the structural and organizational weaknesses that still remain.

EDG provides expert help to struggling business.

Enterprise Design Group is organized to be an opportunity to small to medium-sized businesses (\$5 million or more in revenue) in financial distress or stagnation to:

- Avoid threats to business survival;
- Fulfill obligations before they become threats; and
- Exploit opportunities to increase enterprise value.

Our fundamental strategies are designed to take care of immediate concerns and threats to the business’ existence, but stay coherent with longer-term strategies for long-term success. Specific strategies will be designed with business owners and executives for each business and its specific situations.

Enterprise Design Group was formed to help small to medium-sized business owners who are too busy or don’t know where to begin to transform their companies’ cultures to do business in the current, ever-changing, always-competitive marketplace. Grant Getman brings 30 years of business experience, accomplishments and innovation to small and medium-sized businesses.

Mr. Getman is a certified public accountant whose nine years of professional practice focused on financial and tax issues for privately-held businesses. Since professional practice, Mr. Getman performed as the senior financial executive in industries including sand and gravel, real estate, and construction equipment rental. Mr. Getman developed a talent for successfully working through the difficulties brought on by operating losses and cash flow shortages that ultimately result in difficult conversations with lenders and vendors. The successful turnaround of troubled companies proved to be satisfying, but not as satisfying as the cultural transformation that is possible when the fallacies of common-sense business practices are debunked and replaced by effective uncommon enterprise design.

How do I know if I need EDG’s help?

Is your business designed for success or failure? Do you know the difference? The questions don’t need a complex study. If your business is struggling - or failing - to keep its commitments and obligations; if the business is not making enough money so the business owners can keep their personal financial obligations and save for retirement, the answers are obvious - “failure” and “no”, respectively. If you are counting on the value of your business to fund your retirement, it won’t with those answers.

If you have read this far and your honest answers to those questions are “failure” and “no”. We may be able to help. Enterprise Design Group exists to help businesses that should not die. If that’s your business, we’ll give you our assessment of whether we can help – FREE. But, the closer you get to bankruptcy court, the closer you get to that one option.

You’ve already tried everything you can think of. Isn’t it time for help?