

Case Study: A Turnaround With No New Investment

From Close to Failure to a Growth Trajectory Inside a Year

How a managed services business close to failure was restructured, rebranded and returned to growth without any additional funding.

The Situation

AssurIT sold AS/400 managed services and wanted to launch an AS/400 high availability managed service. The business was in decline, close to failure, and not winning new managed services contracts.

The Problem

The cost base was too heavy for the revenue coming in, leaving little runway to trade out of the position. The business was not telling its story in a compelling way and did not look like a company an enterprise would trust with systems it could not afford to lose. The high availability service needed a large AS/400 platform to mirror customer systems to, and the business had no capital to buy one. A partnership with IBM had been discussed but existed only as a concept.

The Approach

- **Restructured for runway before anything else.** The business was downsized so that the cost base matched the revenue, creating enough cash flow runway to grow out of the position rather than needing new funding.
- **Rebuilt the story and the image.** New branding and new collateral, written for a buyer deciding whether to trust a supplier with systems that cannot go down. The previous material did not look like a company that could close large enterprise agreements.
- **Launched a service on somebody else's platform.** IBM made the investment in the platform and used partitioning to support multiple customers on it. The concept had no definition of which party was responsible for what, how AssurIT would price the service to IBM, or how IBM would price and sell it on. All three were agreed and the legal agreement was executed.
- **Set the commission structure for both routes.** Salespeople sold managed services directly and high availability through IBM, and the plan covered both.

The Result

The decline was arrested and the business was on a growth trajectory in under a year, with no additional investment.

The high availability service launched and signed customers through IBM. Managed services wins outside the partnership included multiple six-figure agreements, among them Rothschild & Co. The business continued to trade successfully after the engagement ended, and later merged with another business and achieved an exit.

Growth Pillars Applied

Value Proposition Narrative	Revenue Generating Assets	Channels & Partnerships	Commission & Incentives
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