

Ferguson Partners – Management Consulting

Case Study Examples



Case study: vision planning and corporate re-structuring of a regional multifamily development and operating company

Background / Situation

- East coast developer majority owned by a major institutional investor with a minority interest owned by four partners, one of whom (the acting CEO) was retiring within the next year
- Company lacked a clear strategic direction, a succession plan for the retiring partner, an effective mechanism for transitioning ownership, along with several other organizational issues
- Moreover, there was a lack of definition around the relationship with the institutional owner, including governance rights and authorities as well as incentive compensation procedures



FP Impact

- Development of a strategic vision plan outlining the Company's go-forward growth objectives
- Process led to implementation of a new CEO with skillset to lead the firm & execute the strategy
- New mechanism for admitting new partners and buying out departing partners
- New compensation structure to improve alignment and appropriately incentive the team
- Implemented best practice governance structure with Board and delegation of authorities

Case study: re-structuring of a private, regional development and operating company

Background / Situation

- Prominent, regional developer and operating company owned and controlled by founding family
- Tensions within the organization due to uncertainties regarding strategy, declining financial performance, as well as economic, succession, and control-related issues associated with a lessened day to day involvement of the founder



FP Impact

- Re-organization in order to increase efficiency and enable execution of a growth strategy
- Addition of talent and shifting of responsibilities in order to (1) fill key functional holes in the organization, (2) free leadership from day to day operations to enable focus on growth initiatives, and (3) provide growth/development opportunities for up-and-coming talent
- Corporate restructuring to enable management participation in ownership, while preserving the founder's requirements regarding economics and control
- Implementation of a formal governance structure to improve decision making
- Development of a new compensation system to support the new organizational structure

Case study: investor feedback survey, market segmentation and strategic positioning for a mid-size private equity firm

Background / Situation

- Mid-cap private equity partnership with ~\$9B AUM
- Inconsistent performance and recent departure of the founder led to uncertainty regarding future fundraising and economic performance



FP Impact

- Conducted confidential investor interviews in order to understand the firm's reputation in the marketplace; research highlighted a variety of strategic, operational, and organizational issues
- Based on findings from the investor study, worked with client on multiple initiatives including a comprehensive and critical review of the company, its strengths/weaknesses, and its branding and competitive positioning within the marketplace
- Developed consensus amongst the firm's partners around its go-forward investment strategy
- Worked with client to develop and articulate its value proposition and create a communication strategy for delivering its message to the LP community

Case study: strategic planning for regional investment bank

Background / Situation

- Mid-size, regional investment bank led by its founder and controlling shareholder
- Revenue growth had stalled within the company's core business; new initiatives had not been successful due to lack of strategic planning and missteps in execution
- Organizational and governance challenges associated with hands-on leadership of the founder



FP Impact

- Conducted a detailed company assessment and strategic market review; company assessment included a review of strategy, organizational structure and human capital, and financial performance relative to peers
- Developed a growth strategy for the firm to double revenues within 3-4 years; strategy included both organic growth through targeted investment in key business lines as well as inorganic growth through new strategic initiatives
- Put in place a new management and governance structure designed to enable the company to implement the growth strategy and avoid repeating its historical mistakes in execution

Case study: re-structuring of family-owned REOC

Background / Situation

- Family-owned REOC with family-controlled Board & professional, non-family management team
- Tensions between Board/management and among family members due to lack of transparency and common understanding of company strategy, financial policies, and governance procedures



FP Impact

- After a detailed review of market best practices, worked with the Board and management to develop a consensus around company strategy, roles of key parties, and policies for oversight and management of the business
- Implemented a new governance structure and new approach for financial oversight
- Developed an incentive compensation program for the President and other key executives
- Advised on implementation of employment contracts for the President and the CFO

Case study: investor feedback study and human capital strategy development for a mid-size private equity firm

Background / Situation

- Founder-led private equity firm with operations in the United States and Europe
- Inconsistent fund returns led to uncertainty re: future fundraising and economic performance



FP Impact

- Conducted confidential investor interviews in order to understand the firm's reputation/positioning in the marketplace, perceived strengths/weaknesses, etc.
 - Research highlighted a variety of strategic issues and informed the company's direction regarding geography, investment strategy, product mix, and investor communications
 - Research also highlighted investor concerns regarding governance, succession, and human capital
- Implemented a governance structure to improve decision making and transparency
- Helped develop a human capital plan for the next 5-10 years, including:
 - Succession - identification of next gen leaders and their individual development needs
 - Retirement planning and buyout/severance programs for departing partners
 - Compensation benchmarking, projections of future staffing needs, and modeling of employees' economic opportunities based on pro forma models developed by FP

Case study: re-organization of mid-size private equity partnership

Background / Situation

- Mid-size real estate private equity firm was becoming increasingly less efficient and effective as the firm grew in size and complexity
- Symptoms included difficulty reaching critical decisions, over-burdened executive leadership, decreasing investment performance, organizational turnover and declining morale



FP Impact

- Re-organization into a functional organizational structure
- Addition of talent in critically understaffed areas to enhance capabilities, lessen leadership's day to day operating burden and free up capacity to address key strategic initiatives
- Implementation of a governance system to increase efficiency in decision making
- Creation of a plan to address succession for key management roles
- Development of a partnership ownership structure to enable admittance of new partners and monetization of retiring partners' interests

Case study: financial benchmarking and re-organization of global, multi-line REIM

Background / Situation

- Global, multi-line REIM suspected its financial performance lagged market peers
- FP conducted an organizational assessment and competitive benchmarking utilizing its proprietary database; identified drivers of underperformance which included materially higher staffing within certain functions, inconsistent talent management across the organization, inefficient processes and lack of standardization, expertise gaps across asset classes, and a siloed organizational structure

FP Impact

- Re-organization of the team, including breaking down of existing siloes and creation of new management positions
- Process enabled client to achieve multiple objectives including:
 - Improved business efficiency, revenue per FTE, and profit margins
 - More robust functional and sector expertise
 - Standardization of processes/procedures

Case study: sell side advisory for a regional mortgage bank

Background / Situation

- Regional commercial mortgage bank with ~\$1.4B annual origination volume and ~\$2.5B servicing portfolio for insurance companies, banks, GSE, and CMBS lenders
- Principals looking to sell the platform and align themselves with a strategic partner that could help them grow their business



FP Impact

- FP was intimately involved throughout the entire sale process, from strategic planning through sourcing, negotiation, and execution of a transaction
 - Strategic planning, market review and identification of preferred strategic partners
 - Introduction to potential buyers
 - Advised client on valuation, structuring, negotiation, and execution of transaction with a large, national mortgage bank
- FP continued to provide follow-on support post-closing with respect to integration, compensation plan design, and go-forward human capital planning

Case study: structure, valuation, and mediation of a partnership buyout process

Background / Situation

- Mid-size private equity firm led by two co-founders
- Buy-sell provision triggered due to irreconcilable differences with respect to company strategy, financial performance, and roles of key parties



FP Impact

- FP involved throughout the process & advised on strategy, valuation, & structure of the buyout
- FP served as a trusted and authoritative 3rd party and played a key role in bringing the parties together and developing a common understanding of the relevant facts surrounding the company as well as relevant market considerations/standards
- Conducted detailed assessment of the business, including a valuation of the firm taking into account its strategy, performance, market conditions, and multiple contingent liabilities that created significant risks and had a material impact on valuation
- Successfully managed the two parties to a conclusion and agreement in a timely fashion so as to minimize disruption to the business