



## **Seabed Services, LLC**

<http://www.seabedus.com/>

<http://www.er-contech.com/>

### **Engagement Summary:**

Evoco Partners started working with Seabed and its affiliates in the spring of 2015. Our initial engagement was to assist the principal owner with strategic planning. As we began our review, we soon realized that although the organization had great employees and provided a high-quality service, the earnings generated from the business were not sufficient to execute the owner's personal financial goals. As such, we shifted priorities and began to serve as the company's exclusive financial and strategic advisor. Below is a list of initiatives we executed with the assistance of the owner and his management team:

- Streamlined accounting processes and procedures
- Implemented a formal monthly close process
- Identified \$1.0 million of overhead reductions
- Negotiated a buyout of 20% minority interest
- Engaged an R&D tax consultant that generated over \$150,000 of tax credits
- Worked with owner to establish a 90-day construction schedule and forecast
- Served as interim CFO for approximately eight months; primarily focused on improving billing, collections, and cost containment.
- Recruited, hired, and trained an accounting professional to manage day to day financial operations
- Effectively negotiated banking and credit needs through a depressed financial cycle

We have been extremely thankful for the opportunity to serve Seabed and its employees. Together, we have been successful in our endeavors. Below is a summary of our experience from the perspective of friend, and owner and founder of Seabed, Les Thompson.

## **Client Perspective:**

After 37 years of being an owner operator, I realized our company's tax-driven approach to accounting was adequate to meet the needs of our investors, creditors and regulators. However, we had not given much thought to how the financials appeared to potential investors.

Evoco Partners quickly recognized that the value of our business was not sufficient to meet my family's retirement goals. Our company is very capable and we have a talented management team, but knowing that our cost structure was too high for our revenue base, I quickly realized any potential offer would cause me to scale back on a significant portion of our retirement dreams. My wife and I have had a goal to send three grandchildren to college, and we have decided to make this a top priority.

Retirement planning has always been the end game, but we set it aside for about nine months. We entered a new era of management, which has basically consisted of streamlining the company's processes and procedures, along with adjusting costs to bring them more in line with our revenue. In fact, through better visibility, focus, and efficiency, our revenue capacity has increased with substantially less overhead.

The surprising thing is that even though our changes meant an adjustment to overall employee compensation, with Evoco's help and guidance our restructuring plan was implemented and accepted by our employees. Evoco was able to cast vision for the mid and long-term value of improving the business, which was embraced by our management team and employee base. Today, we are past what was feared as a painful period. It was actually a pleasure, because as the health of the business rapidly changed so did the stress level.

In the end there is just one question, WHAT IS THE VALUE OF A DREAM?

Thanks guys!

Les Thompson  
Seabed Services, LLC