

Case Study – Vicorp Restaurants



Business Description

- Restaurant chain consisting of over 300 Bakers Square and Village Inn owned locations and franchisor of an additional 90 Village Inn stores
- Manufacturer of over 24 million pies per year sold through both its restaurants and grocery store chains such as Kroger

Situation

- Downturn in economy and discretionary consumer spending in concert with “tired” locations led to a defaulted credit facility
- Trade pressure reduced liquidity to dangerously low levels

Client

- Company

Action/Approach

- Evaluated prospects, including primarily its lease portfolio and recommended Company file for bankruptcy protection
- Evaluated “four wall” profitability and recommended closing a material number of stores while utilizing bankruptcy protection to restructure geographic profile and turnaround operations
- Helped interview and evaluate turnaround management and hired new CEO
- Guided the Company through a successful sale process during the most difficult M&A market in the last few decades

Result

- Sold assets in innovative structure that paid out senior debt and funds to consummate case dismissal
- Returned Company to profitability and expansion