

Olvera Advisors successfully restructures GINGER & SMART

The case of a high-end fashion retailer



GINGER & SMART

at a glance

A restructuring success story, Olvera Advisors worked with Australian fashion label GINGER & SMART to help the business undergo restructuring through a formal process. Olvera's business restructuring and turnaround solutions assisted the business in achieving better trading outcomes and we couldn't be happier for this iconic brand with this success!

challenges

- The surge in retail online shopping, coupled with lack of foot-traffic during COVID-19 which continued declining post-pandemic had led to decreasing sales and revenue for the brand.
- With occupancy costs accounting for a significant amount of the company's total costs, the retail stores had become burdensome and had hindered growth.
- Trade restrictions had caused significant supply chain issues.

how we helped

- 1 Olvera Advisors was formally appointed to work with the business to undergo restructuring through a formal process.
- 2 The successful restructure of the business was implemented through a Deed of Company Arrangement (DOCA).
- 3 The restructuring process was completed in the space of just over a month.
- 4 The process included working on-site at the GINGER & SMART office on a weekly basis to address any employee concerns.
- 5 The company's original management remained in control of carrying out the business's operations.
- 6 This meant that the day-to-day running of the business remained uninterrupted throughout the restructuring process.

outcome & benefits

-  Ginger & Smart continues trading with a new and profitable business model.
-  The restructure facilitated the exit from non-performing retail stores that were not viable under existing rental structures, enabling the business to focus on growing its online channels and exploring international expansion in a post-pandemic world.
-  Continuation of operations was unaffected by trade disruptions and the business was able to maintain and strengthen relationships with key suppliers during the peak of the pandemic. This ensured stock availability in an already distressed market situation.
-  Optimised outcomes were achieved for all parties. This included retaining most of the employees and ensuring they will be fully paid, as well as paying supplier creditors 100¢ on the dollar and 75¢ for dividend, helping the company to maintain its healthy relationships, which are essential to its growth.
-  Other debts owed by the company, including to landlords were also compromised.

Questions?

Contact us and we can assist!



rui wang
MANAGER

 rui.wang@olveraadvisors.com

 +61 452 115 994

 www.olveraadvisors.com

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