

## Client Value Study

### G2 Secure Staff

#### Brief Overview

In the airline industry, reducing operating expenses is a top priority for carriers as they grapple with the current economic climate. Close to 100 carriers, ranging from industry giants to specialty providers have turned to G2 Secure Staff for help.

Based in Irving, Texas, G2 provides reliable, professional staffing and security services for both the back-end and client-facing elements of the modern aviation industry. From skycaps to security and maintenance specialists, G2 employs more than 3,500 aviation services professionals who work at nearly 50 airports throughout the U.S. Managed by experienced airline and aviation security professionals, G2's workforce helps airlines deliver excellent customer service while reducing the expenses associated with full-time employees.

#### Situation

G2 Secure Staff was formed after a management group acquired operations formerly owned by Securitas Security Services USA Inc. Securitas had planned to discontinue operations of its Globe Aviation Services unit until a management group led by G2's

President, Dan Norman, proposed buying Globe's assets. Securitas executives were willing to entertain the idea, but with two important requirements: that the acquirers arrange independent financing and resolve their own IT needs without relying on the existing infrastructure.

Those weren't extraordinary demands, but they meant Norman and G2 had less than six months to complete lending agreements and unbundle G2's operations from its parent company's IT systems. "Incredible constraints were placed on us," recalls Norman.

#### Why Tatum

The legal advisors Norman enlisted to help craft the management buyout recommended Tatum as the right resource for helping with both the financial and the IT demands of the proposed transaction. "We had heard good things about Tatum," Norman says.

Faced with daunting timelines, Norman wanted immediate help in structuring a financing arrangement, and wasn't willing to spend months poring through resumes to identify CFO candidates. He recognized that the financial situation was coupled



#### SITUATION

Daunting deadlines for securing financing jeopardize management's ability to complete a planned buyout.

#### TATUM SERVICE

Tatum CFO Services:  
Negotiation with bank lenders is completed before assigned deadline despite loss of lending finalist.

#### SITUATION

Contribution of subordinated debt by seller is threatened by worsening industry economics.

#### TATUM SERVICE

Tatum CFO Services:  
Detailed financial forecasts convince backers to supply capital necessary to complete the deal.

#### SITUATION

Requirements for IT infrastructure increased pressure on new leadership to meet deadlines.

#### TATUM SERVICE

IT Program Management:  
Tatum takes command of complex ERP and payroll integration effort, overseeing sweeping rewrite of custom software essential to company's operations.

*Aviation staffing company faces extreme deadlines to achieve financing and new technology infrastructure.*

*"When you delegate to a Tatum leader, they carry it out."*

Dan Norman, President, G2 Secure Staff

with an urgent need to implement a brand new IT infrastructure – a critical element for a company that manages a far-flung collective of more than 3,500 employees working for hourly wages.

As Norman and his team set out to accomplish the two critical goals, time was precious. "We committed to a Dec. 9 transition date in early October. That was it. That was going to be the date," Norman says.

## Results

Tatum took quick action. By early autumn, G2 had secured the financing arrangements it would need to complete its acquisition. A combination of a bank lending agreement and subordinate debt supplied by the seller provided G2 the funding and flexibility they required. Tatum was able to overcome two challenges along the way. First, a prospective lender was unable to fulfill its earlier pledges and had to be dropped from consideration. Second, the financing negotiations came against a backdrop of bankruptcy-filing announcements from two major U.S. carriers, which quickly soured lender perceptions of the aviation industry. "It felt like strike two at that point," says Norman.

Tatum was able to complete the financing accord before the deadline,

thanks in part to some deft financial forecasting work. Partly because of the overarching industry conditions, G2 had to ask the seller to carry a larger share of the deal's debt. To justify the deeper investment, Tatum produced detailed forecasts that demonstrated the company's ability to cover its debt service with confidence.

The forecasts for solid economic growth proved to be on target. In the first full year of operations for G2 sales grew 20 percent, cash flow was positive, G2 made good on its repayment to the parent company, and the company had sufficient liquidity to fund continuing expansion.

Tatum also solved the second pressing issue G2 faced—the implementation of an Enterprise Resource Planning (ERP) system that provided the vital self-contained IT infrastructure. Again, challenges arose. Integrating the Sage Software MAS-500 ERP with surrounding payroll services and related desktop support resources meant juggling numerous tasks at once. The job was further complicated by custom software produced by a third-party developer G2 had engaged.

With time running out, Tatum assumed total control of the project, enlisting a new development team to rewrite the code in a matter of weeks. For a company whose success depends

on managing hourly employees across the U.S., the custom software was critical. Tatum implemented, tested, and completed the platform integration within the extremely tight time frame.

Tatum's leadership in finance and IT allowed Norman to run the company with confidence. "I'm a pretty good judge of character," says Norman. "I immediately had a good feeling about what Tatum could do with the project. When you delegated a task out to Tatum, they carried it out."



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Companies turn to Tatum when critical business challenges arise because we immediately deliver financial and technology operational expertise via solutions tailored to the Office of the CFO. We understand the urgency of NOW and we leverage nearly 1,000 executives and consulting professionals nationwide to accelerate results to create more value.™