

Peter Briggs
Michael G Jacobides
Rupert Merson

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Super Luxurious Auto (A)

Case overview

Super Luxurious Auto (SLA) is a fictionalised case study based on a real engagement undertaken by Alvarez & Marsal (A&M) involving a complete financial and operational restructuring.

The case is about a company unable to meet its debt obligations as a consequence of deteriorating financial performance following a global merger.

The case sets up a class-room role-play discussion. In class, each student will take the role of one of the key stakeholders – senior lender, junior lender, private equity owner, distressed debt hedge fund, A&M or management.

The case material includes general background material on the company and, separately, specific notes outlining the particular issues and concerns faced by each stakeholder. When preparing the case, students are required to consider the perspective of the particular stakeholder assigned to them in groups and determine the negotiation strategy. In class, the company's recent situation will be surveyed; this will then be followed by a negotiation between the stakeholders as to what to do.

Students are encouraged to read *all* the material, including all the role briefings, but are required to pay particular attention to the general briefing notes and the specific notes for the role assigned to them.

General briefing material

- Debtwire articles on SLA: The rumours in the market...
- Liquidation analysis email by DD&T. This is the liquidation analysis of SLA performed by Deloitte, Davies & Tomatsu. A&M in particular may want to look at how this can help (if at all) solve any problems by disposals, etc.

This case was written by Peter Briggs, Managing Director at Alvarez & Marsal, under the supervision of Michael G Jacobides, Sir Donald Gordon Chair of Entrepreneurship and Innovation and Associate Professor of Strategy and Entrepreneurship at London Business School, and Rupert Merson, Adjunct Associate Professor of Strategy and Entrepreneurship at London Business School. London Business School cases are developed solely as the basis for class discussion and are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.

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