

## Case Study

**Sector:** Subsea Engineering

**Assignment:** Restructuring of Small to Medium sized Enterprise (SME) following the discovery of financial irregularities

**Period:** 2016

**Background:**

During a routine monthly accounting check, financial irregularities were uncovered, which, once addressed, required the restructuring of the Divisional organisation to refocus the business on its core activities and growth

**Assignment:**

- To implement the organisation's ethics and governance policy following the discovery of the financial irregularity
- To manage the relationship between the 'whistle blowing' staff at Divisional level and the Board of the International parent
- To manage the change of internal management following the dismissal of the errant Country manager
- To establish clear and transparent new reporting and communication lines between the Divisional SME and its International headquarters
- To refocus the remaining Divisional team on delivering outcomes in their new roles, on core KPI's, on product sales and technical support, leading to enhanced turnover and profitability

**Methodologies:**

- Review and subsequent challenge to the International Headquarters reporting, monitoring and assessment models within the ethics and governance policy guidelines through one-to-one meetings and workshops
- Review and subsequent challenge to the International Headquarters reporting, monitoring and assessment models within the accounting policy guidelines
- Establishing, through external third party experts, the correct legal procedures to follow and implement, including protection of the 'whistle blowers'
- Coaching and mentoring of Divisional and International Headquarters Board level staff in appropriate language and corporate positioning in handling the issue of criminal behaviour
- To manage potential reputation damage internally and externally

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**Outcomes:**

The implementation of the governance and ethics policy combined with the external third party advice led to the swift removal of the errant Divisional manager under the individual's own volition

By reviewing and challenging the existing ethics and governance and accounting policies, the parent company is now in a more robust position to handle future irregularities should they reoccur

The remaining Divisional staff, while not rewarded or compensated, have been 'protected' through anonymity internally and externally through assistance and leadership from the International senior management team. All were given new roles, functions and responsibilities to refocus the business and repair the damage done

After the Divisional team conducted an exhaustive and fundamental six month review and reappraisal of all Divisional business processes and procedures, tied back into corporate values and International parent company policies – aligning the 'soft' and 'hard' operational aspects of the business - the team delivered end year results including double figure increases in turnover and profitability

A number of 'sense checks' during the following year (2017) established that the Divisional staff were in robust control of all business areas. At the time of writing this case study, (February 2018), they have again delivered significant increases in turnover and profitability making them the main profit centre for the worldwide company

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