



grow



Corner Star

Generating jobs and income
through growth



Grow helped steer Aimeg on the right course.

Vulnerability is the best measure of courage

Wayne Fouché and his wife Bridget launched Aimeg in 2006, combining the names of their two daughters, Aimee, and Megan. Initially, the business with its office in the Western Cape, operated as a CC shell and sold a range of insect screens for windows and doors.

Aimeg experienced rapid growth within months and soon expanded its portfolio and began offering more services, including alternative truck parts.

Wayne and Bridget co-founded Aimeg with a strong sense of mission and values, and for them, it was critical that the business generated jobs and income through growth, rather than simply chasing predetermined profit targets.

While Aimeg established annual, essential success goals, they were not consistently examined and achieved.

The dangers of rapid business growth

Growth is a key objective for any business, but especially critical for new or small corporations. **However, fast growth in a short period can significantly increase the demands on each individual employee and on your company's team as a whole.**

When Grow teamed up with Aimeg in 2019, the company was in severe financial distress. Before Grow's involvement, Aimeg's profits and its credit rating had been on a steady decline. Manager and employee morale had plummeted to an all-time low and the company's future and survival were jeopardised.

When an entrepreneur faces financial ruin, the first critical and tough decision is: Do I close this business, or do I continue staring at the light, waiting for the train to arrive?

Grow reassured and supported Aimeg through this period, despite the difficulties posed by COVID-19, and the tragic and unexpected death of the company's co-founder.

The financial status of the Aimeg Group, which included Aimeg Port Elizabeth, Aimeg Western Cape, and Corner Star Cape at the time of Wayne Fouche's passing (January 2020), was precarious. Technically, the business was insolvent, as it owed more than it possessed in goods and debtors. Annual revenue totalled R21 million for the financial year, ending 2020 with a net loss of R600,000 for the year. The group owed creditors R2.74 million, of which R1.64 million was owed to their primary creditor who supplied the majority of their inventory. Along with this debt, the Group also had a R250,000 overdraft.

Transformation through sound strategic thinking

It's always difficult for Grow coaches to witness an entrepreneur fail, especially when that entrepreneur has significant debt, personal guarantees and their entrepreneurial dream hanging in the air.

Within a few months of collaborating with Aimeg, Grow established a new mission to transform the company through the establishment of an effective sales strategy, the establishment of new strategic objectives, the introduction of effective financial disciplines, including improved debt management, stricter payment terms and a rethinking of the company's services.

The numbers weren't making sense

According to Grow, while Wayne possessed vision and determination, he lacked focus when it came to bank account balances, accounts receivables and payables. When Wayne acknowledged that he couldn't do everything alone and that his company's systems required some polishing, things began to change for Aimeg.

While the entrepreneurial spirit can take you far, Grow says that it is vital to be self-aware enough as a business owner to recognise when your business's financial figures no longer make sense. By embracing periods of vulnerability and change, Wayne was able to better navigate turbulent waters.



One door closes to make way for another

In consultation with one of our Grow coaches, it was soon decided to divide Aimeg's products and services into two parts – insect and security screens and trucking components.

Bridget assumed responsibility for managing the insect and security screens brand (now known as Corner Star), while her husband concentrated on promoting Aimeg's trucking components.

While Corner Star thrived, the financial status of the Aimeg Group - which included Cornerstar Cape and Aimeg Truck and trailer components Cape and an Aimeg truck and trailer components branch in PE - remained stagnated.

The company's balance sheet was unprofitable; a significant creditor was owed a large sum of money and Aimeg's primary truck and panel parts supplier was now responsible for keeping the company afloat. Something had to give.

There were discussions about possibly closing Aimeg's Port Elizabeth branch, which generated the most significant losses, to concentrate on strengthening the Western Cape branch instead.

Sadly, Wayne died of a heart attack around the time these discussions were taking place, which left Bridget in a position where she was suddenly handling two businesses on her own, one of which was in critical condition.





Taking control of debt

Grow worked in close collaboration with the Aimeg team to clean up the company's finances and determine the best way to stabilise cost structures. The rigorous process of cleaning up the financial data resulted in an accurate set of management accounts being produced monthly.

Regular management meetings were established, where Bridget, together with her Grow team, reviewed sales data, discussed the performances against budget and ratified all major business decisions. The collaborative nature of these meetings served to inform, teach, and provide Bridget with the support and confidence to make material business decisions, which in turn helped move the business forward. For the first time in Aimeg's existence, the company had a clear vision of where it currently was and where it wanted to go.

Aimeg needed to repay its debt, and to do this, they sold Aimeg (Truck and trailer components) branch in Port Elizabeth in May 2020, with the proceeds going toward repaying creditors. By early 2021, Aimeg had paid off a sizable portion of its debt and was beginning to experience a positive shift in its profit margins.

The favourable effects of divesting the Port Elizabeth business and implementing solid financial and sales management techniques resulted in a rapid turnaround of Aimeg's fortunes.

Aimeg achieved R800,000 in profits during the first eight months of the 2021 financial year, compared to the R600,000 loss of the previous year. Additionally, due to increased profitability and cash flow management, debt was reduced from R2.74 million to R850,000.

Meanwhile, Bridget's Corner Star business had more than doubled in size, and with Bridget juggling her responsibility to her daughters and her own business during the COVID-19 lockdown, she had little time to devote to Aimeg and felt it was time to sell the Western Cape business as well.

"It was a big relief to sell Aimeg. My name was on the CC, and I was completely lost when it came to the company's trucking components. The primary supplier had made an investment in Aimeg and in Wayne, and I wanted to do the right thing for not only the provider, but also for my late husband", Bridget explains.

Their Grow coach approached the primary supplier to ask him if he would buy Aimeg, given the improved performance of the business (including having the bulk of his debt repaid). Whilst he was initially reluctant, he saw the value of incorporating the Aimeg business into his. The purchase of both Aimeg Port Elizabeth and Aimeg Cape branches has made a significantly positive impact on his business, increasing his year-on-year revenues by 55% and his profitability by 32.5%.

“Having my Grow coach onboard has **taught me so much about my own strengths and weaknesses** and why some companies fail to grow and, in some cases, collapse. In the last 18 months, I've learned more about financials, balance sheets, cash flow, budgeting and staff communication than I've learned in the 16 years since launching Aimeg.”

Bridget continues to say, “Consulting with our Grow coaches meant I had someone to bounce ideas off to help me resolve minor staff issues and even just celebrate the little wins with. Having an objective coach who understood my business well and saw opportunities helped me rethink my next steps. I cannot express my gratitude enough to Grow and everything our Grow coaches have done for us.”

Bridget's ability to devote her entire focus to her own firm (Corneco) has increased because of the sale of the Aimeg Port Elizabeth and Cape branches. Corneco's results have also improved. Bridget grew Corneco, (formerly Corner Star Cape), from a profit of R100,000 in the 2020 financial year to R550,000 in the 2021 financial year.

All these results are particularly remarkable when you consider that these were achieved during the COVID-19 pandemic.

Bridget's personal and corporate balance sheets have significantly improved because of the changes in her business fortunes. She has acquired the property from where Corner Star operated and now owns the home in which she resides.

Despite her profound grief over Wayne's death, Bridget is happier and more fulfilled than she ever imagined possible, thanks to the confidence and security that comes with not having to worry about her financial security and the satisfaction and fulfilment she receives from doing what she loves and is good at - building a profitable business that provides a livelihood for others.



In loving memory of Wayne Fouche

A brave entrepreneur with a wicked sense of humour and a passion for all things South African. A man devoted to his family, who cared deeply for his friends, personal and in business.

His business life was challenging, but Wayne never lost sight of what really mattered.

Whilst he sadly never got to enjoy the full fruits of his entrepreneurial efforts, his legacy is undeniable and we stand on his shoulders and continue to grow.



*"We miss you Wayne"
with love from all the old Aimeggers*



19 June 1959 – 13 January 2020



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