

CRAIN'S DETROIT BUSINESS

Crain's CFO Awards 2010 Winner

Spotlight on CFOs

Richard Widgren

Vice president, treasurer and CFO

Urban Science

Detroit

Who would have known that experiences at a steel company in the late 1970s would help run a high-tech consulting firm in 2009?

Nonetheless, Richard Widgren said his experience as corporate controller at **McLouth Steel** was a perfect guide to deal with the complex financial issues Detroit-based **Urban Science** faced last year.

In 2009, as then-**Chrysler L.L.C.** and then-**General Motors Corp.** were on the brink of filing bankruptcy, the companies made a significant shift in the schedule for paying suppliers in the area.

For Urban Science — which does data analysis for OEMs, car dealers and retailers — a cash crisis occurred when GM and Chrysler announced 30- to 60-day delays in all payments to suppliers. Then the companies filed bankruptcy, making the payment schedule even worse.

"We came back to work after Christmas and all of a sudden I'm looking at our cash position and it looked like we were on track to struggle for cash," he said.

A cash-management process was put in place, tracking daily cash against forecasts. Spending controls were imposed and some payments were delayed, such as the final balloon payment of \$1.7 million on the acquisition of a company.

The outcome: 60 employees' jobs were saved and vendors were returned to normal cycles. The company ended 2009 with an increase in sales.

Where did Widgren learn his moves? McLouth.

"It was like *deja vu* for me," he said.

In 1979, McLouth was a secondary supplier to companies working with the OEMs, and when the automakers declined, so too did all the other companies down the line.

"In that case, I had to take a \$650 million company and convert it to a daily cash basis," Widgren said. "Those skills quickly came back to me."

— Daniel Duggan



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