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# **LOEWEN GROUP CASE ANALYSIS**




# INTRODUCTION

**The Loewen group was one of the largest funeral services industries in North America it was however crippled by financial and operational problems that contributed to its bankruptcy. A specific aspect that is underlying in the case concerns the major issues which might have caused the business's decline,**

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# KEY ISSUES

**The Loewen Group grew mainly by unfriendly acquisition strategies, which left the firm with very high levels of leverage. Although this was a valid growth strategy, it put the company on a very risky financial situation. In the project, as the company continued to attain more funeral homes and cemeteries**

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# FINANCIAL STRAIN

**Among the problems the main one was over-leveraging of the company. It established that the Loewen Group was highly leveraged and had a cash flow generated issue arising from its use of debt to fund acquisitions. Failure to generate enough revenues to offset the cost of interest added to the company's operational difficulties.**

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# CONCLUSION

**The case of Loewen Group can be enlightening to those business people who are interested in the very fast growth of their companies on unstable financial and organizational basis.**

**Although typically it can be stated that it might have been possible to avoid bankruptcy if the company looked for a more sensible and less unhealthy rate of growth and if the aspects of financial management were developed and enhanced.**

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# RECOMMENDATION

**This is just a sample partial case solution. Please place the order on the website to order your own originally done case solution.**

**Resource: visit [thecasesolution.com](https://thecasesolution.com)  
for detailed analysis and more case studies.**

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