



Rapidly reduce cost, release cash and enable growth to achieve strategic imperatives and profit goals

TVO supply chain transformation program unlocked value and enhanced company performance

The results

Maine Pointe's delivery teams worked side by side with our client's team to:

- Achieve total procurement savings of 8%
- Free-up \$4.8M in working capital to support an aggressive growth strategy
- Implement a highly-functional, center-led procurement organization
- Train the client's procurement function on Maine Pointe's six-step sourcing process to ensure sustainability of savings over time
- Achieve 14% EBITDA improvement

This story is for company CEOs and PE executives who want to:

1. Free up cash to fuel their organization's growth strategy
2. Leverage the full capabilities of their teams and infuse best practices across multiple business units
3. Drive higher multiples in a portfolio company nearing the end of the investment lifecycle

The challenge

Our client is a PE-owned manufacturer of plastic container and closures. The company has 16 manufacturing facilities across N America with more than 300 production lines.

Having struggled with slow organic growth, the organization had been rapidly expanding through acquisitions. This left them cash constrained and needing to optimize an increasingly complex business structure to free up working capital to drive continued growth.

Leadership brought in Maine Pointe to help realize synergies, break down silos in its procurement organization, quickly generate EBITDA savings and increase multiples to prepare for future sale.

The TVO triple effect in action

The speed and inorganic nature of growth meant procurement was decentralized and highly siloed in nature with no processes or policies in place to drive a unified approach. Every site was doing things its own way and, as a result, procurement wasn't leveraging best prices. This meant they were unable to free up capital which, in turn, was hindering the organization's ability to grow.

Maine Pointe's subject matter experts saw a tremendous opportunity to release cash. However, the client's leadership were concerned that focusing on this would come at the expense of driving EBITDA improvements. Our delivery team proved that it is possible to achieve both and deliver the triple effect of driving out costs, releasing cash and enabling growth in a relatively short space of time. We achieved this by:



- Conducting a focus and alignment session with leadership to ensure agreement on procurement, vision, mission, objectives, goals and organization
- Holding a coordinated supplier forum that peaked supplier interest and fueled competitive responses to market requests for proposals
- Implementing Maine Pointe's six-step sourcing process to achieve savings in a constricted market with significant headwinds
- Leading field training sessions to secure buy-in and full implementation of improvements across the business
- Using anonymized data to show each supplier where they were positioned against their competitors on an equivalent price basis. This created a domino effect which enabled our client to hit its target price in a constrained market

Although the client had worked with consulting firms in the past, this was the first initiative designed to bring consistency across its plants. As a result (for the first time in its 26-year history), the company now has a highly-functional, centrally-led procurement function and its people have the skills they need to sustain it. The increased efficiency has significantly enhanced their ability both to make new add-on acquisitions and to effectively integrate them into the organization.

"We tried this with two other consultants; this time it worked." VP Strategic Sourcing

Lessons learned for other executives

- With the right partner, you can simultaneously release cash and improve EBITDA in a relatively short space of time
- It is essential to go to the market place with a unified message to achieve significant benefits
- You cannot underestimate the power of data in a successful negotiation

Are siloes within your organization inhibiting growth?

Want to transform you supply chain into a competitive weapon to drive out costs, release cash an enable growth?

Talk it through in a no-obligation phone call or meeting with one of our executives.

Email info@maine pointe.com to arrange a call

About Maine Pointe

Maine Pointe, a member of the SGS group, is a global supply chain and operations consulting firm trusted by many chief executives and private equity firms to drive compelling economic returns for their companies. We achieve this by delivering accelerated, sustainable improvements in EBITDA, cash and growth across their procurement, logistics, operations and data analytics. Our hands-on implementation experts work with executives and their teams to rapidly break through functional silos and transform the plan-buy-make-move-fulfill supply chain to deliver the greatest value to customers and investors at the lowest cost and risk to business. We call this Total Value Optimization (TVO)™.

Maine Pointe's engagements are results-driven and deliver between 4:1-8:1 ROI. We are so confident in our work and our processes that we provide a unique 100% guarantee of engagement fees based on annualized savings. www.maine pointe.com