



### M&A: 50% bottom-line EBITDA improvement within 100-day plan

Accelerating measurable value, reducing risk and driving successful integration

#### The results

Working closely with the parent company team during due diligence and post-acquisition, Maine Pointe helped quickly identify and realize untapped synergies, resulting in:

- Delivered 50% annualized savings improvement within four months
- Achieved 20% annualized purchase price variance improvement (raw materials) within four weeks
- Attained 12% reduction in material spend
- Achieved 16% annualized savings in transportation (despite industry headwinds)
- Delivered a 5:1 ROI
- Developed a road map to drive \$3M in unexpected additional synergies that, if adhered to, will result in 100% lift in bottom-line EBITDA improvement

#### This story is for PE executives and company CEOs in a post-M&A situation who want to:

1. Reduce the risks associated with capturing expected synergies post acquisition
2. Accelerate bottom-line improvements while recognizing the need for sustainable change management
3. Unlock unexpected synergies that could not previously be identified due to the limited information provided during due diligence

#### The challenge

This manufacturer of functional powders helps brands in the sports nutrition category imagine, develop and produce their next product. The company provides its brand partners with a full range of back-end services from concept development and flavoring, to custom formulation, and comprehensive ingredient sourcing. Maine Pointe was brought in during the due diligence phase of the company's acquisition, having completed two successful engagements for the prospective buyer.

The acquisition was made to further strengthen the parent company's position as a strategic partner of choice within the fast-growing nutritional bar and functional powders sectors. The company sought to create the clear category leader with capabilities in new product development, best-in-class manufacturing and supply chain services.

## Driving accelerated synergies post-acquisition

The due diligence uncovered millions of dollars in supply chain synergies and opportunities to quickly improve operating costs. This gave the buyer the confidence to proceed with the acquisition. However, they needed to realize the expected synergies within weeks, not months or years.

Maine Pointe entered the company with an accelerated plan for time-to-value creation in procurement and logistics. Our focus was on minimizing some of the risks commonly associated with realizing synergies post M&A and to quickly find new areas of savings that had not been identified due to the limited information provided during due diligence. At the same time, the parent company wanted to maintain the stand-alone nature of the acquired business but have back-office homogeneity. To achieve this accelerated goal we drew on our relationships and subject-matter expertise within the global industry and our first-hand knowledge of the parent company's business model. More specifically, Maine Pointe:



- Worked with transport providers to achieve a better deal without disrupting service, despite issues in the trucking sector (regulations, driver shortages etc.)
- Deployed our SME expertise in China to overcome language and cultural barriers and helped navigate complex regulations in an accelerated time
- Used our differentiated understanding of the global sourcing market, to accelerate supplier sourcing activities and start conducting global procurement negotiations within the first 4-8 weeks post acquisition
- Introduced a procurement shared service model
- Developed appropriate benefit sharing with customers that improves the company's position as a preferred supplier with customers
- Acted as the 'bridge' between the parent company and the acquired company to help with integration and assimilation of cultures and processes
- Helped both companies work through the change management curve

As a result, we were able to deliver the first 20% EBITDA savings (raw materials) within four weeks and 50% annualized savings improvement within four months.

### Lessons learned for other executives

- You can accelerate measurable operational impact within the first 30 days of your 100-day plan
- Supply risk and complexities needs to be uncovered during the due diligence process in order to rapidly resolve them
- Maintaining strategic clarity and focus is often overlooked during the due diligence process. As a result, focus and alignment is required post acquisition

Need help to uncover supply chain and operations-oriented value opportunities pre and post acquisition?

Want to achieving rapid synergies within the 100-day plan?

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

Email [info@mainepointe.com](mailto:info@mainepointe.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 stakeholders 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.mainepointe.com](http://www.mainepointe.com)