

MANAGEMENT ADVISORY SUCCESS STORY

STRATEGIC EXECUTION AND VALUE CREATION MIDDLE MARKET MANUFACTURING COMPANY

The President of a middle market manufacturing company was concerned about how to move forward with his company. After divesting a business unit, his sole focus was now to grow the remaining manufacturing company.

However, the company was near bankruptcy. To make matters worse, the COVID-19 pandemic caused company sales to shrink significantly from pre-COVID-19 levels. The company's survival was in doubt.

The Impact of Management Advisory

Working with the company President, Schneider Downs performed a deep quantitative and qualitative analysis for the parent company which resulted in a strategy to recover the business to profitability:

- » To replace lost sales, Schneider Downs evaluated Personal Protective Equipment (PPE) product option and provided the recommendation to pivot to high margin PPE products in the short term to survive the shutdown. The recommendation increased sales \$3.4 million and profit by \$2.2 million
- » Thoroughly reviewed operating expenses with owner to determine expense savings of \$800,000 annually
- » Developed target list of items with discounted pricing to sell off excess and obsolete inventory freeing up nearly \$500,000 in much needed cash after uncovering nearly 50% of existing inventory was either in excess or obsolete through an inventory analysis.
- » Implemented vendor order purchase controls to ensure products did not reach excess levels.
- » Met with the President bi-weekly to discuss business performance and provided guidance on future steps throughout the process.

Following the shutdown, the company recorded **>\$1.4MM of EBITDA** by leveraging the strategy and best practices provided by Schneider Downs.



About Schneider Downs Management Advisory Services

The Schneider Downs Management Advisory team has a wealth of senior-level experience with all types of organizations, from large corporations to middle-market companies. Our team provides independent opinions without bias, backed by decades of experience across industries and a focus on value-driven results. We offer creative approaches to complex issues, with an emphasis on data-driven solutions and process efficiency.

For more information on how the Management Advisory team can assist your organization, contact Michael P. Hart at mhart@schneiderdowns.com or 216-543-0821.