

When It Comes To Private Equity, We Can Help You Earn A Better Return On Your Investments

*USC Consulting Group: An experienced
professional resource that can increase
the value of PE firms' portfolio holdings at any
stage in their lifecycles*



private equity

USCCG Experience

USCCG has an excellent track record in the following industries:

- Aerospace
- Airlines
- Automotive
- Building Products
- Chemicals
- Consumer Package Goods
- Defense
- Engineering
- Food and Beverage
- Forest Products
- Healthcare
- Life Sciences
- Metals
- Mining
- Oil and Gas
- Printing and Packaging
- Plastics
- Railroads
- Transportation
- Utilities

Value Drivers/EBITDA

Builders

In the course of any engagement, we focus on any or all of the following areas to drive value for our clients:

- Asset utilization
- Capacity rationalization
- CAPEX control

- Cycle time reduction
- Efficiency improvement
- Inventory reduction
- Logistics
- Procurement
- Productivity improvement
- Quality improvement
- Sales effectiveness
- SG&A reduction
- SKU rationalization
- Strategic sourcing
- Supply chain optimization
- Yield loss management

Channels and Scenarios

We serve the investment community in two important ways. For PE firms that want to acquire, improve, and sell their investments for profit, we provide:

- Strategy-deal hypothesis
- Opportunity scans
- Due diligence-value blueprints

For PE firms with underperforming assets, we:

- Remedy functional shortcomings
- Optimize existing processes
- Reduce time to transaction
- Provide know-how and horsepower

Client Benefits

These tools and techniques enable us to increase value for our clients that comes from:

1. Lower operating costs
2. Improved on-time and complete delivery
3. Reduced scrap and rework
4. Lower inventory investment
5. Improved ROIC
6. Higher quality
7. Better reputation
8. Procurement
9. Reduced freight-forwarding costs

private equity

Our Work

Let's take a look at some of our work with three private equity holdings. Each of the following solutions was totally customized and implemented by USCCG professionals using proprietary techniques and methodologies to meet the unique needs of individual clients. Here are some highlights from three real engagements

Case History # 1

Private equity owner of material handling company making display racks for big box retailers needed to optimize the value of their holding in preparation for an agreed-upon sale to a third party

Our Assignment: Reduce scrap and improve asset utilization and throughput

Our Approach:

1. Value stream mapped the entire production process and installed best work practices
2. Implemented capacity resource planning discipline, process, and tools
3. Developed visual tools to monitor work center KPIs
4. Developed downtime reporting, issue identification, prioritization, and resolution process
5. Implemented SMED-based set-up and coil change reduction program
6. Developed and implemented upgraded management tools to improve capacity utilization, increase labor productivity and work center efficiencies
7. As an outgrowth of the original assignment, we recommended consolidating production facilities to reduce overhead expense then developed and executed a detailed consolidation plan
8. The consolidation plan was executed in five months and delivered a cost reduction of more than \$6.0MM on an annual basis

The Results:

1. Reduced cycle time for changeovers 34%
2. Reduced scrap 22%
3. Reduced downtime 12%
4. Reduced excess labor hours and cost by 16%
5. Saved \$5.9 - \$6.3MM by consolidating five locations into four

Case History # 2

Producer of frozen breakfast and dinner meals and condiments purchased out of bankruptcy and re-established as a new company

Our Assignment: Leverage existing assets by improving productivity, throughput, and material yields

Our Approach:

1. Value stream mapped production process from end-to-end; identified and targeted loss points for reduction
2. Reviewed equipment settings and established optimal run parameters
3. Developed and implemented management operating system to enhance production control, throughput, and yield management
4. Identified and eliminated nonvalue-added activities, streamlined production processes, defined and conspicuously displayed key performance metrics
5. Implemented aggressive start-up/shutdown, changeover, and sanitation techniques to further enhance productivity

The Results:

1. Increased line efficiency 15%
2. Increased labor productivity 24 - 30%
3. Improved material yields 1.5 - 5.0%
4. Reduced waste 35 - 50%
5. Saved \$11.0MM
6. Private equity parent sold food company holding for a 31% premium over its purchase price less than two years following acquisition

Case History # 3

Private equity firm, having acquired a glass manufacturer as a platform company, which it immediately strengthened through an add-on acquisition, wanted to eliminate duplicate structures and costs

Our Assignment: Consolidate multiple facilities for optimal performance, eliminating redundancies in the process

Our Approach:

1. Conducted an overall review of the current state of the platform and newly acquired companies' business models
2. Developed a future state for the soon-to-be combined/consolidated entities
3. Developed capacities for existing assets and aligned to current and future state volumes and forecasted product mix
4. Developed detailed operational consolidation plan, timetable, budget, and resource requirements
5. Developed detailed IT consolidation plan, timetable, budget, and resource requirements
6. Identified key risks and developed a plan to mitigate against each

The Results:

1. Reduced indirect labor by \$3.6MM
2. Reduced overhead by \$5.0MM
3. Reduced freight/shipping expense by \$2.5MM
4. Reduced SG & A expenses by \$2.0MM
5. Increased EBITDA \$12.0 - 13.0MM

These results illustrate which KPIs we typically can improve, outcomes we can influence, and increased value we can deliver to our private equity clientele. You can review other case histories by visiting our web site at www.usccg.com.

For more information contact us at (800) 888-8872 or www.usccg.com.



First we make it work. Then we make it last.®