

# Case Study: \$200MM Food Manufacturer and Co-Packer

Effective solutions and rapid implementation to turn around declining performance and train management on how to sustain long-term improvements

**Goal:** Rapidly improve profits and elevate customer service.

## Situation

- Ownership structure included family office and founders
- Out of covenant with lender, no turnaround strategy
- Uneven earnings: lost \$6MM in previous year, marginal earnings in prior years
- At risk of losing major customers due to service level (OTIF) failures
- Material improvement opportunities, with challenges in all areas of the plant operations (3 Plants) including staffing, maintenance, throughput, and scheduling

## FortéONE Process

After initial diagnostic phase, FortéOne presented a Business Assessment and Roadmap to Improvement which took the company on two simultaneous paths: turnaround poor performance immediately while creating a foundation to build future value in preparation for eventual sale. We were hired to implement our recommendations, including:

- Quickly implement manufacturing process improvements to elevate customer service levels
- Develop and enforce sales stage gate processes for new products, including controls to keep sales from eroding margins
- Rationalize customers and products to increase profitability
- Create and implement long-term, account-by-account plans to increase margin

## Establishing a Foundation for Performance

Customer service, defined as on-time in full delivery, was low and continuing to decline. By focusing on immediate service improvements, the company was able to save relationships that were at serious risk of being terminated and maintained the ability to build future value with these customers.

## Results

- Increased operating profit from \$6MM loss to \$3MM profit in 12 months
- Company was placed on track with a timeline for future sale and in good standing with lender
- FortéOne engagement ended with management able to sustain improvements

