

Case Study: \$260MM Snack Food Manufacturer

Working alongside business owners and Investment Bankers to implement change and demonstrate improvements that add value

Goal: Increase company value and prepare the company for sale

Situation

- Single family ownership structure, with second generation in the business
- Market valuation well below owner expectations. Investment banker required material improvements within finance and operations prior to placing the firm in market
- Recently lost \$2MM in one month and concerned about violating loan covenants with a large national lender
- Failed quality audits from largest customer (Walmart, 40+% of revenue)
- Insufficient production: 8 lines, 6x3x24, high employee turnover and waste

FortéONE Process

Following a four-week assessment, FortéOne presented a Roadmap to quickly improve profitability, operations and quality processes, and establish a reliable growth strategy for potential buyers. We were hired to implement our recommendations, including:

- Transformed company focus to a bottom line, profit-oriented culture driven to increase EBITDA
- Expanded sales channels, repaired relationships, grew sales and SKUs with existing clients
- Improved plant operations resulting in 98-99% audit scores
- Reconfigured financial reporting to provide better planning and visibility

Establishing a Foundation for Performance

- FortéOne achieved 75% of waste reduction targets in only 8 weeks, saving several \$100Ks. Waste reduction was a key improvement cited in the sale process.
- On the verge of losing a major customer (Walmart) following a recall, developed action plan to improve performance. FortéOne led the meeting. Client was retained, and Walmart volume grew by more than 15% over the next 12 months

Results

- Increased EBITDA from \$9.8MM to \$16.2MM
- Company sold to Private Equity firm for \$100MM+
- FortéOne led management presentations and assisted in CIM preparation and negotiations

