

Private Equity Check Up

“Many companies have sold-off themselves or divisions to private equity firms only to see the profitability and value of the organization skyrocket. You can get this value, too!”

Why is it that Private Equity Firm are unlocking enterprise value where companies have failed? It doesn't have to be the case. A Private Equity Check Up can identify the levers to value and launch an organization on the road to capturing that value.

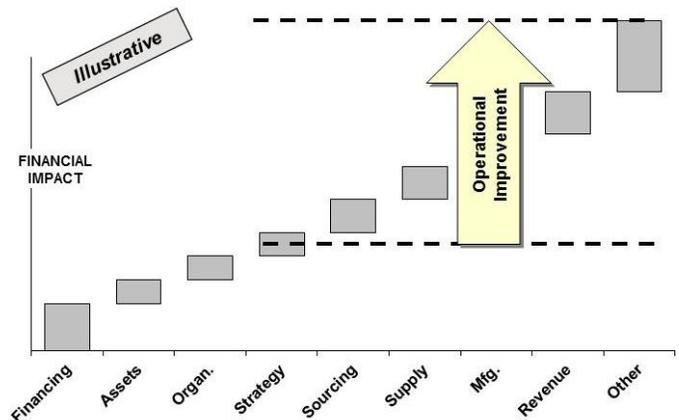
So what does a PE Firm do after acquiring a business? We know their first steps:

- Focus the portfolio by shedding unprofitable businesses
- Incentivize the management team through an ownership stake (managers are often required to place substantial personal capital at risk)
- Replace key executive positions

Today, leading PE firms play more activist roles to unlock enterprise value beyond what is possible with financial re-engineering with a focus on several key levers:

- **Sales Force Effectiveness:** overhaul the sales program, incentives and training to increase the top line.
- **Pricing:** develop a deeper understanding of the product / service value proposition and establish a more analytically-based price structure.
- **Sourcing:** in addition to vendor rationalization, exploit both supply and demand levers to optimize 3rd party spend
- **Supply Chain:** optimizing the entire supply chain to improve flow, raise on-time delivery and reduce working capital requirements.
- **Manufacturing / Operations Excellence:** leveraging tools like Lean and Six Sigma to shorten cycle time, eliminate waste and reduce costs.

- **Support Service Streamlining:** matching overhead activities to customer need with a significant cost reduction



The typical PE Firm uses internal and external experts over a 3 to 9 month period to diagnose, train and help the organization start to capture value.

This process and approach is available to non-PE owned organization as well – executive commitment and leadership is all that is required.

Of course, once the PE Firm has fine-tuned the organization, they begin looking to build a growth engine again.

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