

Supply chain is one of the greatest functional areas of opportunity when it comes to impacting operational and financial goals. With a focus on streamlining labor and material costs, product quality, distribution and inventory, companies can more efficiently use resources to meet customer demands and improve satisfaction levels.

Business leaders often struggle to drive measurable and positive results across significant metrics, asking the following questions:

- **Why are profit margins slipping and why is cash flow constrained?**
- **Can our business processes benefit from the application of Lean Operations?**
- **How can we reduce operational complexity and, at the same time, continue to serve increasingly powerful customers who demand shorter lead times and higher service levels?**
- **Do we have an opportunity to better manage our emerging markets sourcing?**

Alvarez & Marsal's Supply Chain professionals focus on achieving measurable results. We are a group of senior, hands-on professionals, who work with both high performing and underperforming companies to improve business processes – efficiently, economically and without disruption. In certain circumstances, we assume interim management roles to facilitate and implement improvements to your supply chain.

THE A&M ADVANTAGE

Alvarez & Marsal (A&M), a leading independent global professional services firm, provides an entirely distinctive approach to working with clients – a program we call *Rapid Results*. This action- and results-oriented approach, honed from an operational heritage spanning 25 years, drives and accelerates profitable growth and performance improvement for immediate impact.

A&M's highly experienced and capable professionals roll up our sleeves and work with your team to deliver results. We operate with a speed-to-execution approach by following an "A3 – Analyze, Act and Accelerate" methodology to quickly realize improvements.

OUR SERVICES

A&M Supply Chain professionals work with you to improve the operational and financial performance of your company by assessing, analyzing and implementing the best course of action.

Emerging Markets Sourcing (EMS)

Approaching EMS with a coordinated enterprise-wide strategy helps companies to maintain product quality and delivery standards, while minimizing the potential for supply chain risk. A&M assists in integrating all aspects of EMS - from managing the long lead-times often associated with emerging markets sourcing to implementing appropriate business process changes, improving supply chain performance and realizing savings.

Lean Operations

Knowing how business forecasts, customer demand and supply chain variability can impact cost reduction strategies is crucial to improving operational performance. A&M can help to optimize operational efficiencies and reduce costs through the application of Lean Operations methodologies. We assist in eliminating non-value-added activities and reducing the variability of business processes.

Working Capital Improvement

World-class companies often make working capital management an integral part of business strategy. A&M professionals bring significant experience in advising companies on strategies to increase cash flow through improved working capital performance, focusing on providing working capital solutions that enhance the client's ability to self-finance operations and reduce dependency on short-term loans.



A&M's Rapid Results Program implements effective supply chain and operations management, which can drive positive and measurable results to address common business challenges.

OUR SERVICES *continued*

Sales and Operations Planning (S&OP)

Effectively balancing the supply and demand in your supply chain through market seasonality, product shortages and discounts often requires a master plan that is capable of managing the threat of customer churn. A&M assists in implementing an S&OP process that facilitates collaboration between your functional teams to optimize supply chain performance and reduce fixed and variable operating costs.

SUCCESS STORIES

Emerging Markets Sourcing

A leading electronics company based in the U.S. and Europe looked to A&M to assist in reducing its product acquisition cost by sourcing from emerging markets. A&M helped the company to perform a spend analysis and identify products that would deliver the greatest business value. A&M helped to find – and meet with – manufacturers, brokers and sourcing experts in China, and supported the supplier selection process. A&M also evaluated options and budget requirements to establish sourcing offices in Hong Kong and various parts of mainland China.

Lean Operations

After years of significant growth, a leading energy company was seeking to build its capability to systematically drive improvements in its operations and capital expenditures. A&M assisted the company by implementing Lean Operations methods and tools in focused “proof of concept” areas to improve core business processes. A&M defined a Lean program framework; developed and delivered customized Lean Operations training across all organizational levels; and assisted in wide-scale and sustainable Lean tool deployment.

Working Capital Improvement

The profitability of a high-tech company had fallen well below industry average. Growth in working capital had also reduced cash flows and impaired the company’s share price. Within six months, A&M helped the company to double cash flow, improve gross margins by 19 percent and reduce annual operating expenses by 10 percent. The company has now achieved three consecutive quarters of increasing positive cash flow for the first time in its history.

Sales and Operations Planning

A leading small home appliance company was experiencing significant issues in its supply chain. The company turned to A&M to improve its supply chain performance and optimize inventory levels. A&M implemented a new and effective S&OP process that facilitated close collaboration between the organization’s supply chain, sales and marketing, engineering and finance teams. Within eight months, the company’s order fulfillment rate improved by more than 10 percent, and its inventory turns improved significantly.

ABOUT ALVAREZ & MARSAL

Since 1983, Alvarez & Marsal has set the standard for working with organizations to solve complex problems, boost operating performance and maximize value for stakeholders. A leading independent global professional services firm, A&M draws on its deep operational and turnaround heritage to help companies across the industry spectrum improve operating and financial performance, and to navigate business, litigation and tax matters with speed, responsiveness and unmatched quality.

Whether serving as business advisers or in interim management roles during periods of change or transition, A&M stands for leadership, problem-solving and value creation. A&M clients range from multinational to middle-market companies around the world that are both publicly held and privately owned. With a bias toward action, implementation and results, Alvarez & Marsal professionals serve large and mid-cap private equity firms, company management and boards and other stakeholders aiming to drive sustainable results up and down the balance sheet.

A founder of the modern day restructuring industry, Alvarez & Marsal has been honored numerous times by the Turnaround Management Association and has been recognized as one of the Best Firms to Work For by *Consulting* magazine.

For more information, visit
www.alvarezandmarsal.com



ALVAREZ & MARSAL

www.alvarezandmarsal.com

NORTH AMERICA • EUROPE • MIDDLE EAST • ASIA • LATIN AMERICA