



PRIVATE EQUITY SERVICES

A&M RAPID RESULTS PROGRAM™

Unlocking PE Value with Accelerated Operational Improvement



ALVAREZ & MARSAL

A&M Rapid Results Program™

PROGRAM OVERVIEW

The A&M Rapid Results Program™ is a comprehensive approach to performance improvement designed for portfolio companies of private equity (PE) funds in a structured yet accelerated, quantified and highly prioritized process. Leveraging the same operational heritage and bias towards action that is the hallmark of the A&M legacy, our A&M Rapid Results Program™ team has a deep bench of experienced operators, functional experts and industry veterans.

PE investors often find themselves challenged with driving EBITDA and enterprise value growth within notoriously short holding periods in their investment portfolios. The A&M Rapid Results Program™ has been the proven tool that our PE clients most often leverage to positively impact revenue, cost and margin drivers, as well as working capital in a compressed timeframe.

WHY A&M RAPID RESULTS

By addressing performance characteristics critical to the growth of portfolio companies, the A&M Rapid Results Program™ is different from other common performance improvement approaches, and focuses on:

- **Results and Speed:** energy/intensity levels and proven results in a compressed timeline
- **Relevance:** specific industry and functional expertise; availability of comparative data and information, benchmarks
- **Risk Management:** Rapid Results is always operator-led and execution focused, extending a company's management capacity to address KPI drivers

KEY PERFORMANCE DRIVERS

PROFITABILITY AND MARGIN MANAGEMENT

- Profit and margin transparency
- Cost-to-serve considerations
- Costing and pricing methodology
- Sales force effectiveness
- Customer service management

OPERATIONS EXCELLENCE

- Process performance optimization, service cost optimization and footprint optimization, specializing in Manufacturing, Distribution and Logistics, and Business Services and Technology
- Service delivery models, including effectiveness and efficiency improvement, and performance and cost optimization

SUPPLY CHAIN MANAGEMENT

- Supply chain management – process optimization including planning processes and S&OP
- Sourcing and procurement – sourcing cost optimization, process optimization and organizational alignment

“OPEX” EFFICIENCY

- Finance and other back office functions/overhead spend
- Metrics and reporting
- Working capital management
- Organizational structure and alignment
- Communication process and decision-making effectiveness
- Operational integrity, including organizational and managerial health



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WHAT RAPID RESULTS DELIVERS*

A meaningful impact on EBITDA and Enterprise Value has been achieved:

CO. SIZE	ANNL REV.	AVRG. EBITDA GAIN	AVRG. %EBITDA GAIN	MULTIPLE (X)	AVRG. VALUE CREATION
SMALL	<250M	6.2	54.9%	6	37.3
MEDIUM	250M-1B	14.4	41.3%	8	115.0
LARGE	>1B	39.5	22.1%	10	394.6
	(in\$)	(in \$M)			(in \$M)



Average EBITDA Gain by Project was \$12.8M



Average %EBITDA Gain was 43.2%

*Based on approximately 100 projects performed by A&M Rapid Results team.

SUCCESS STORIES

PLASTIC PIPE MANUFACTURER

For a \$650M industrial pipe manufacturer, the combination of profitability/margin management, sourcing cost reduction, and enhanced forecasting and planning processes resulted in a \$10.6M EBITDA improvement and \$120M in subsequently realized enterprise value within 24 weeks.

MACHINED COMPONENTS MANUFACTURER

A&M's Rapid Results Program™ drove a 24% increase in production, 8% improvement in quality performance and 30% reduction in materials and WIP-related working capital for an ailing \$350M aerospace component manufacturer, all within 20 weeks.

MEDICAL DEVICE MANUFACTURER

The A&M Rapid Results team's efforts in material management stabilized raw materials flow and production schedule, eliminating \$2.5M past due order back log for a \$100M medical device manufacturer. Operations improvement measures reduced COGS by \$4.6M, drove gross margin into the 50% territory, and readied the business for sale within six months.

ENVIRONMENTAL SERVICES COMPANY

A&M conducted a Rapid Results Assessment for a \$150M Canadian-based environmental services provider to address declining revenue and profit. A&M helped the company achieve an overall run-rate EBITDA improvement of \$9M by reconfiguring the bidding to job completion processes, shared services and finance function consolidation.



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ABOUT ALVAREZ & MARSAL

Companies, investors and government entities around the world turn to Alvarez & Marsal (A&M) when conventional approaches are not enough to make change and achieve results. Privately held since its founding in 1983, A&M is a leading global professional services firm that provides advisory, business performance improvement and turnaround management services.

With over 3000 people across four continents, we deliver tangible results for corporates, boards, private equity firms, law firms and government agencies facing complex challenges. Our senior leaders, and their teams, help organizations transform operations, catapult growth and accelerate results through decisive action. Comprised of experienced operators, world-class consultants, former regulators and industry authorities, A&M leverages its restructuring heritage to turn change into a strategic business asset, manage risk and unlock value at every stage of growth.

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When action matters, find us at: www.alvarezandmarsal.com

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