

# \$260MM Snack Food Manufacturer

**GOAL:** Increase company value and prepare the company for sale.

## The 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 \$100K's. 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**