



## Private Equity & Manufacturing Case Study

**Business Problem:** Growth is Constrained by Long Lead Times and Poor Delivery Performance. Not Meeting EBITDA Expectations.

**VERTICAL:**   Private Equity and Manufacturing

**MARKET:**  Medical Devices

**NLP SERVICES:**  Lean Transformation

### CLIENT

A PE-owned, \$480M Medical Device Contract Manufacturer with 17 different locations was faced with customer pressures to improve their on-time delivery and to reduce their lead times.

The financial performance of the business was not up to expectations (EBITDA and Revenue), and high scrap rates at some of the facilities was hindering operational efficiencies.



### APPROACH

In 2019/20, we implemented a Strategy Deployment Process with a focus on the top four locations.

We conducted multiple Kaizen events in order to generate improved operational flow, equipment uptime, scrap reduction & productivity improvement.

The Daily Management Process we instilled drove sustainability and day-to-day performance

improvement, and we installed internal Continuous Improvement resources.

From a talent standpoint, we placed interim General Managers at two facilities and Interim CI Leaders at the other two locations.

### THE RESULTS

- **\$4.65M increase** in operating income in 8 months.
- **\$712K reduction** in scrap cost
- **64% average reduction** in lead times
- On-time delivery, top 4 sites:
  - Before: 55% - 65%**
  - After: 92+%**
- **14.5x** return on investment

Cumulative Annualized EBITDA Impact

