

GEI can help when you need to assess the operational performance and, more importantly, the potential operational performance of an acquisition candidate or a divestiture candidate. The reason is that we have years of experience improving the operational performance of a wide range of businesses.

- A business that your firm has invested in is in trouble and may start missing payment targets.
- A business wants to position all or part of its operations for sale.
- A realistic set of eyes is needed during M&A due diligence to review the target operation.
- Perhaps one of the most valuable services GEI can provide is determining the potential of a business from an operations standpoint.
- Accidents waiting to happen: latent environmental and safety problems.
- In these uncertain economic times, GEI can reduce buyer nervousness.

Provide your client with a comprehensive evaluation of critical operating systems including an in-depth assessment of the current and potential operational performance. This audit will:

- Put your client in a position to make informed decisions on potential improvements and/or changes that will make them a more competitive and profitable enterprise.
- Provide your client with an estimate of the potential level of performance improvement if recommended changes were implemented.
- Provide your client with a detailed plan on how to achieve performance improvement.

Provide your client with the operational due diligence they need.

... a recent study showed that less than 10% of due diligence was focused on operations... but over 40% of acquisitions failed because of operational performance issues...

Operations Audit Approach

For each of the client's manufacturing sites, we audit the following five major elements of business operations:

- The process of planning for and acquiring necessary resources: selection and management of suppliers, purchase of

capital goods, and the purchase of materials and supplies.

- The manufacturing process: the movement of materials and resources, the actual production process, packaging of the product, warehousing and storage of the product, product quality assurance, and the scheduling and performance of maintenance.
- The process of managing production: raw material scheduling and delivery, production scheduling, order status, critical information management interfaces, and managing inventories.
- The product delivery process: product shipment, delivery of product to the customer, monitoring customer delivery status, customer complaint processes, and customer satisfaction information.
- Cultural and management issues: management/labor relations, communication processes, employee performance and reward systems, employee involvement strategies, and the employee training system.

Expected Benefits

- A detailed operations assessment report for each of the major elements of business operations for each site.
- A detailed analysis of all critical performance metrics at each site.
- A report of improvements or changes that would improve operational performance and customer satisfaction.
- An estimated impact on the operational and customer performance metrics if the improvements or changes are implemented.
- An estimate of the cost to implement any improvements or changes.
- Based on our experience, you can expect a significant first year return on investment (ROI) for this analysis and the identified improvements and changes. If GEI were involved in the implementation, a 4 or 5 to 1 ROI would be a conservative estimate.