

Partnering with an Investment Banker: A Food Manufacturer's Journey to Sale

Situation

Situation In the competitive landscape of the Ottawa food industry, a manufacturer with a revenue of \$6MM found itself at a crossroads. Seeking a sale to a competitor, the company was hindered by a series of stalled accounting and manufacturing process/compliance deficiencies. These obstacles not only threatened the potential sale but also the very operational efficiency and market position of the business.

Intervention

Integration Professionals coordinated strategic meetings with the company's management and advisors to identify and prioritize opportunities for change. Key initiatives targeted included horizontal acquisitions, online sales and customer service enhancements, social media branding, ERP implementation for financial reporting, and strategic leadership hires.

Results

Intervention Understanding the criticality of the situation, the food manufacturer's Investment Banker engaged Integration Professionals. The intervention strategy was multi-faceted and dynamic, focusing on both immediate improvements and long-term sale prospects:

- Strategic Meetings Cadence: The establishment of a weekly all-hands meeting provided a platform for risk management and decision-making, augmented by daily sub-team meetings dedicated to issue resolution and process improvement.
- Expertise and Resource Augmentation: Roles essential for addressing the company's deficiencies were brought in.

- Virtual Data Room Setup: Prioritizing transparency and efficiency, a Virtual Data Room was set up concurrently with the intervention measures to streamline the due diligence process for potential buyers.
- Communication and Timeline Management: A clear timeline and the list of improvements underway were communicated to all stakeholders, ensuring alignment, and managing expectations effectively.
- Project Results The intervention yielded significant benefits, not only facilitating a successful sale within 5 months but also enhancing the company's operational and financial posture:
- Increased Buyer Interest: The advanced preparation and the establishment of a Virtual Data Room made it easier for prospective buyers.
- Operational Momentum: The momentum generated by the effectiveness of the changes not only facilitated the sale but also led to the buyer requesting and funding additional initiatives, recognizing the value in continuing the improvement trajectory.

Executive Takeaways

- Proactive Problem-Solving: Addressing stalled processes and compliance deficiencies head-on can significantly enhance sale prospects and operational efficiency.
- The Value of Strategic Partnerships: Partnering with an Investment Banker can who brings the deal-making expertise and connections.
- Transparency and Preparation: The use of tools like Virtual Data Rooms in sale processes enhances buyer engagement and trust, streamlining the due diligence process.
- Adaptive Project Management: The dynamic and adaptive approach to project management, including regular status meetings and strategic interventions, can significantly impact project outcomes and sale success.