

SPG Strategic Partners Group

Business Development and Growth Management

Case Study # 6

Portfolio Company of Private Investment Group

Contracted Chief Operating Officer assignment for portfolio company of early stage private investment group based in North Carolina.

Early Stage Growth Situation from Acquisition – Upon formation of private investment group, the principals purchased a long time construction manufacturing company based in North Carolina and engaged Thomas Kirkpatrick/SPG as the Company's Chief Operating Officer to develop and implement a growth strategy in an attempt to transform it from local, regional-based company in its industry to a national presence.

SPG Action and Results

During an approximate eighteen-month assignment and affiliation with the investment group and its ownership of the manufacturing company, Thomas Kirkpatrick/SPG executed the following:

- Preparation of strategic marketing, sales, operational and financial plan for the acquired company.
- Development of short-term and long-term capital equity, financing and private equity placements.
- Set-up 40,000 sq ft manufacturing facility for increased capacity along with establishment of ERP manufacturing system processes, flexible capacity planning, creation of estimating, quoting models and methods, multi-task work centers and activity-based measurement and management system.
- Development of marketing/sales plans encompassing multiple markets and sales channels, company and product branding, image materials, formulation of targeted sales goals and performance metrics and preparation of a CRM system.
- Set up and implementation of business, functional reporting format financial management system for integrated financial and operational results of all departments and management system that monitored and provided monthly and quarterly scorecard and performance metric analysis of operations.
- Developed and implemented financial forecasting and cash flow projection and management systems, along with product line profitability and cost systems.

Upon completion of the acquisition and implementation of the strategic operational plan, the portfolio company approximately doubled in sales and turned a pre-acquisition 15% operating loss to a post-acquisition 5% operating income by the end of its first year and into its second of operation. During its second year and at end of engagement, the company's backlog growth rate and capital requirements grew at pace and to a level the investment group did not desire to finance prompting investment group to retract its growth plans and change its overall investment strategies.