



Manufacturing Case Study

Business Problem:
Improve Production, Reduce Waste, and Reduce
Lead Times.

VERTICAL:  Manufacturing

MARKET: Printing

NLP SERVICES:  Lean
Transformation

CLIENT

Private equity client purchased \$400M 17% EBITDA Label Printing Company. 1925-2006 Family Owned; 2 Prior PE Owners Focused on Market Expansion and Acquisition Acceleration.

2 Core Product Lines, 15 Sites and No Prior Op Ex Focus

APPROACH: Three Phases

Phase One: Site Deployment

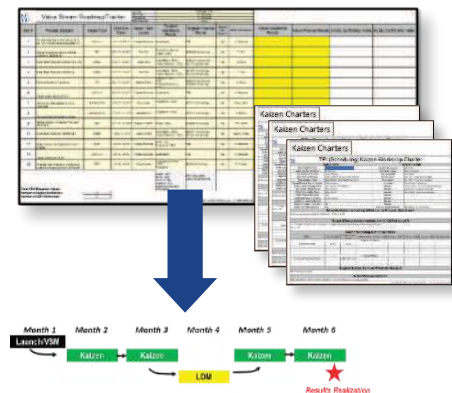
- 2 Pilot Sites Selected (Criteria: Opportunity \$, Strength of Leadership and Product Line Diversity)
- First 2 sites \$1.7M Identified Opportunity – Accelerated Deployment Plan
- 15 Sites Launched (Prioritized on Opportunity \$) Over 10 Months
- By Site: 1 Week Site Leadership Boot camp and Value Stream Mapping (Diagnostic) Workshop
 - > Quantified, Prioritized **Roadmap-Tracker** Created
 - > Site Leadership Team “buy-in” to Stretch Targets
 - > Cadence of Kaizen Established (Typically 1-2 per month)
 - > Site Capability Building Plan (SME Matrix)

Phase Two: Sample Savings Tracker

- Road map Tracker Files Created for Each Site – Looking Out 8-12 Months
- Quantified Estimates of Savings
- Charters – Leader, Team, Targets, Scope
- Kaizen Cadence Drives Execution



VSM Roadmap/Tracker



THE APPROACH: Three Phases (Cont'd)

Phase Three: Governance / Execution Management

- Executive Boot Camps for Rollout
- Steering Committee – Monthly Review
 - > Execution to Plan, Results, Capability Building
- Kaizen Workshop Leadership Support
 - > 5-10 Minute Daily Status Call
 - > Weekly Report Out – Shared Best Practices and Results – Encourage Teams
- Board / PE Lead Updates – Management Engagement, Progress
- Strategy Deployment Process – Rigorous Strategy Execution Process – Created Focus on Top Value Creation Plan Projects – Kept Lean Efforts Focused on High Impact Areas

THE RESULTS (First 10 Months)

First 10 Months **6.8X ROI**

Estimated Full 18 Month Engagement **12X+ ROI**

Internal Team & Capability Hired / Trained

Utilization Gains - Growth Targeted Product Lines **will Grow with 20% Less Capital**

Lead Times Shrunk Average of 30%
Will Drive Further Organic Growth

Lean Transformation Focus Area	Due Diligence Estimate	10-Month Actual	18-Month Roadmap Identified
LABOR Change Over Reduction, Flow/Work Comb, Scheduling/Level Loading	\$7.0M	\$2.4M	\$6.1M
MATERIALS Variation Reduction on Run Scrap (Ink & Substrates), Start Up Scrap, Engineered Scrap Kaizens (Sheet Layout)	\$3.0M	\$1.7M	\$4.0M
OVERHEAD HR Payroll, Labor Reporting Kaizen		\$1.0M	\$1.0M
TOTALS	\$10.0M	\$5.1M	\$11.1M

$$\frac{\$5.1\text{M Hard EBITDA Annualized Return}}{\$750\text{K NLP Investment}} = \mathbf{6.8x\ ROI}$$