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CASE STUDY: CORPORATE INTEGRATION

SITUATION ANALYSIS:

A Private Equity firm contacted Racca Solutions Group (RSG) to assist with an integration of two mid-sized chemical manufacturing companies. They needed a project plan to execute and track all aspects of the integration to achieve synergy savings via consolidation of facilities, supply chain, logistics and SG&A overhead. The acquiring company was a large-scale business-to-business manufacturing operation while the acquisition operated as a small scale “made to order” distributor based business.

IMPROVEMENTS IDENTIFIED:

Racca Solutions Group worked collectively with the executive leadership to develop an integration playbook to ensure deliverables were met. The goal was to organize and facilitate the move of all operations into a consolidated manufacturing and distribution operation. In addition to the playbook, RSG was project managed the transfer of proprietary data and product, business process creation and the rationalization of product offerings.

Key drivers of the overall project were as follows:

1. The acquiring company had daily operating processes in place, but were insufficiently controlled and not scalable to meet future growth targets
 - ECN processes were in place across the different product offerings, but slow and inconsistent in practice
 - Back office support mechanisms were insufficient to support functional areas (i.e. order entry, production and supply chain)
2. The acquisition had no manageable data or process controls in place
 - RSG discovered it was not able to produce pertinent product data (i.e. formulas, bills of material, financials by product and historical sales)
 - Manufacturing processes and controls were non-existent; no formalized engineering change process (ECN) was evident, no streamlined testing procedures or standardized production controls
3. Both companies lacked sufficient technology/infrastructure to support their operations

OVERALL RESULTS:

Racca Solutions Group managed the comprehensive integration plan ensuring that all key deadlines were met. Data capture, product/production moves, SG&A reductions were tracked and completed. RSG assisted in the creation and implementation of critical business processes/controls, aided in the core infrastructure upgrades (IT, Customer Service, Technical Support and Quality systems) and product rationalization to improve day to day operations. A 6x return on investment was achieved through bottom line savings and cost reductions.