

PRODUCTIVITY PULSE

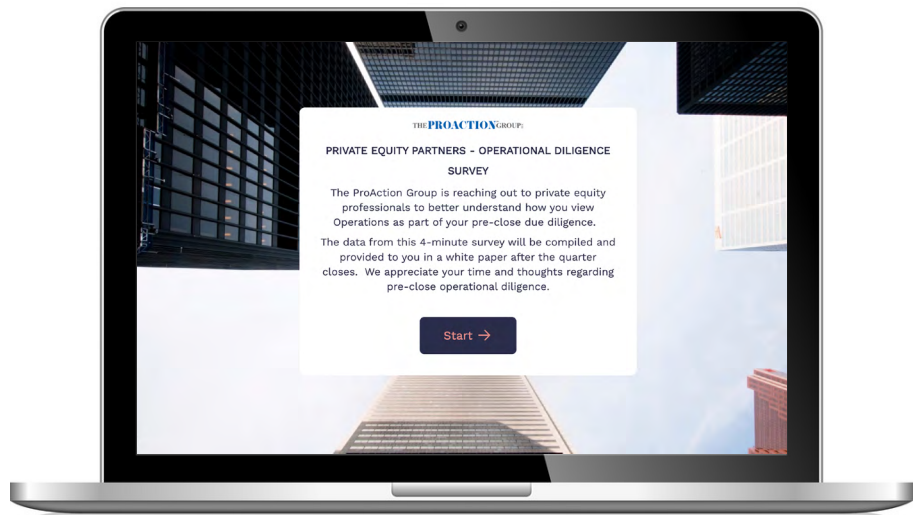
A Newsletter of The ProAction Group

Firm News



Kevin Hofert, based in Dallas, has been promoted to Vice President; Business Development. Kevin works closely with our clients to understand their challenges and opportunities, and identifies where The ProAction Group can help them add value. Prior to his role with TPG, Kevin was with Kieffer|Starlite for 16 years with his most recent position as CEO. Prior to that, Kevin was Vice President of Engineering for White Way Sign in Chicago. Kevin holds a bachelor's degree in Civil Engineering from the University of Michigan, an MBA from Keller Graduate School of Management at DeVry University, and a Juris Doctorate from the University of Illinois at Chicago Law School.

Private Equity Professionals – We'd Like Your Insight



We've reached out to many of you via email and some by phone to solicit your insight for a study we are conducting on how private equity firms view Operations during their pre-close due diligence activities. If you have already participated through our online survey or phone interview, thank you. If you have not participated, we'd like to include your insight in the study. We are extending our survey work through April.

To access the survey online, visit <https://s.pointerpro.com/theproactiongroup>, if you would prefer to provide insight over the phone please reach out to chenson@proactiongroup.com.

We look forward to sharing the results with you in June!

Buy-Side Operational Diligence

Closing deals is tough. Despite going into a deal with eyes wide open, you will always be limited to what people want to show you.

The ProAction Group is a relationship bridge between the seller and the buyer. We couple our DeepView™ Operational Diligence methodology with measured care, curiosity, and vulnerability. We engage sellers with genuine appreciation for a company's history and a desire to understand why the company operates the way it does. We acknowledge the good and plan for where the gains are to be claimed.

Before you buy that company, we will bring clarity to key questions:

- Are there undisclosed risks that will show up in year 2 or 3 if not addressed?
- What is the true practical capacity and operational scalability?
- Are there key people who are not capable of achieving the plan, or impediments to the growth of the management team?
- Is Operations making use of the information system that's available?
- Are there lurking, undisclosed, capital expenditures?
- If the wrong person quits, will it tank your company?
- Are you reliant on a volatile supply chain or supplier?
- Is the company reliant on tribal knowledge and/or lacking standard work and process documentation?
- Do we have to rebuild the machines, or replace them to make your processes relevant compared to competitors?
- Is the management team fully committed to an ineffective approach to running the business?
- Are you setting the stage for a successful transition?
Good news travels fast, bad news travels faster.



Understanding *ahead of the close* what it takes to rapidly improve performance will provide clarity around what it will take to satisfy your investment goals. You'll know the days and dollars it will take to start planning for the check you'll get upon exit.

Operational Assessments & Interim Leadership Assignments

It's often said the biggest room in the world is the room for improvement. Even when things are going well in an organization, there's always room for improvement – small operational changes can lead to opportunities for big gains.

There are times when the necessary equipment and processes are in place, and the gap is an empty seat in leadership - our experienced team will keep operations moving forward while you search for the right person to close this gap.

Whether a company is newly acquired, has stellar performance or is a growing concern – there is an opportunity to do more and claim that hidden value.

We can:

- Help an underperforming company quickly determine the problems and solutions to get earnings back on track.
- Uncover likely efficiency gains in a performing company that can be made with the people and equipment already in place.
- Increase agility for the fluid launch of new products and services to capitalize on marketing opportunities.
- Evaluate processes and equipment that are producing waste or sitting idle.
- Provide interim leadership to work with the existing team to guide them through operational improvements.

WE'LL SEE YOU THERE...

The ProAction Group will be attending the following conferences in the near future. Are you going? Let's meet up. Drop us a line at chenson@proactiongroup.com.

DealMAX (InterGrowth)	May 8-10	Las Vegas, NV	Aria Las Vegas Hotel
ACG Mid-South	June 14-16	Louisville, KY	Omni Hotel Louisville

About The ProAction Group

We are seasoned Operations experts who deliver 3X- 10X ROI by providing deep and insightful discovery assessments. We translate insights into actions that are designed to achieve rapid performance improvements and increased EBITDA, working capital, competitive differentiation, and organizational effectiveness.

Our DeepView™ Operational Diligence provides industry leading transparency and clarity around:

- Supply Chain Challenges and Vulnerabilities
- Leadership Appraisal Capabilities to Assess Change Management Abilities
- Evaluation of Operational Systems to Support the Investment Thesis
- Real-time Insight of the Industry's Market and Its Customers
- Data Validation and Generation of Data Where Data May Not Be Available

Our assessments include implementation plans, management guidance and interim leadership as needed.



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