

CASE STUDY

18-Month Transformation: Operational Due Diligence, Value Creation, and Exit Prep Delivered at Speed

Client

A leading maker of durable, customised steel modular buildings serving niche needs including data centres and control buildings, with products in all 50 states and abroad. The company stands out for customer service, innovation, and industry expertise, operating globally with less than 1,000 employees.

Challenge

TBM addressed three main priorities for the client: providing Operational Due Diligence for an acquisition, driving value creation and capacity planning, and preparing for a successful exit—all amid rapid organisational changes and high demand. This was a period of constant change, shifting priorities, a steady stream of new employees, and historically high demand levels.

Solution

To boost capacity and productivity, TBM assessed how an add-on acquisition would integrate, uncovering improvement opportunities and a major engineering bottleneck. TBM later guided the company through a successful acquisition and exit preparation.

Results

- Completed due diligence, delivered value creation, and supported exit in 18 months.
- Uncovered \$1.7–2.3M in annual capacity gains.
- Increased output by 40% through lean improvements.
- Equipped the company for future growth after the acquisition.

The Power of Multi-Tasking: Managing Three Major Challenges With Precision, Detail, and Speed

Fuelled by steady demand for its products and strong growth forecasts, the company was laser-focused on ensuring it had the capacity to handle the coming waves. It first made an organic improvement by building a second facility near its hub. Then the firm looked for external opportunities and identified an add-on target that it felt would help meet its capacity, growth, and productivity goals. Enter TBM. At this point, the firm enlisted us to perform an independent assessment of its capacity and operations, factoring in its existing facilities and any physical assets owned by the add-on company. We immediately noticed inconsistencies in the volumes produced by the firm's two facilities and were able to quickly zero in on best practises to apply to the other site.

The client had already begun to implement some lean-focused initiatives, and we showed them how to make those transferable and applicable to the add-on. As so often happens with this type of assignment, our work in one area helped us identify a root problem in another – specifically, a major bottleneck in the company's engineering process that was putting the brakes on output improvements. Working together on this issue led not only to a resolution, but to the establishment of more lean-focused initiatives and Kaizen events in the spirit of continuous improvement. The third pillar of the assignment was an unexpected but welcome challenge – working with the company to help it prepare for a successful exit.



Assessing Capacity Planning and Add-On Target

The company had a considerable backlog when we began our work, so they had strong demand in the pipeline and were about to add to it. Just as critical, they were also paying attention to how they could improve. Its first step toward expanding was the opening of a new manufacturing facility close to the main headquarters, which helped increase productivity and generated faster lead times. At the same time, the client began looking externally to identify potential acquisition targets that could help accelerate its capacity expansion plans, eventually zeroing in on a company with similar products that also had two existing facilities.

Our first task was conducting extensive Operational Due Diligence (ODD) on the target company to provide an independent assessment to help our client make the best-informed decisions possible. In addition to standard ODD analysis across areas such as leadership, safety, quality, performance, and productivity, the company had a specific, strategically smart request.

In the process of assessing their two sites, they wanted us to identify any synergies or best practises that could help the two facilities work together more effectively. The idea was to make the sum greater than the individual parts, and the client had already begun to implement some lean improvement initiatives when we arrived on the scene. We helped the firm and its senior team see how this success could be replicated at its new site and the two sites that would result from the add-on deal, and the internal teams took over implementation from there. In all, TBM helped identify approximately \$2 million in annualised improvement gains, and we set about working with the company to implement them.

Creating Value, Removing Bottlenecks, and Exit Prep

In working closely with the client's teams to find and execute on value-creation opportunities, TBM identified a significant bottleneck in the company's overall engineering process that was impacting output. We carried out a focused diagnostic of the engineering function, provided specific recommendations, and supported teams in applying

them through Kaizen events and live projects to drive output gains. Over the course of three to four months, the client saw the power of this work in motion, observing significant improvements in both speed and efficiency. While the company initially set its sights on achieving 15-20% improvement in total output, our ability to spot and eradicate this bottleneck doubled that goal, with the company breaching 40% improvement during the assignment.

The acquirer soon became an attractive target itself. Building on the success of the ODD and value creation work, including resolving the engineering bottleneck, the company engaged TBM again to prepare for sale. We supported this by delivering detailed reports on expansion, capacity, and headcount plans to support growth—giving the buyer clarity and confidence.

Full Spectrum of Work

This assignment showcased the full breadth of TBM's capabilities—thorough, fast, and prescriptive. In just 18 months, we conducted ODD on an add-on acquisition, drove improvements that boosted value and output, and partnered closely with both the PE firm and management team to enable a successful exit. The key was providing clear inputs to set priorities, while our ability to connect with people quickly ensured smooth transitions throughout.

Results

- **Completed ODD, value creation/ bottleneck work, and exit preparation** on an expedited 18-month timeline to help the company meet key strategic objectives.
- **Identified between \$1.7 to \$2.3 million in annualised improvement opportunities** relating to capacity and worked with the client to execute on the work.
- **Engineering bottleneck fix and additional lean/value creation** efforts that helped increase the client's overall output by four assignments.
- For exit, **prepared and delivered objective evaluations and recommendations** on the client's capacity planning, operational footprint, expansion plans, and headcount/ staffing to enable continued growth for the future buyer.

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