**Consumer Products Case Study**

PROJECT OVERVIEW

clarkston CONSULTING

# Leading a CPG Firm Through a Complex Acquisition Integration

This client is a leading consumer products company that manufactures and markets a wide range of personal care and household products under well-known brand names. Successful acquisition and integration of new businesses is a key lever that the company uses to drive growth and total shareholder return.

They had completed more than ten acquisitions of businesses with more than $100M in revenue in the last fifteen years. Due to a series of key departures in company leadership, the organization found itself without an integration management office just as the next deal in the consumer healthcare space was beginning to close.

Calling on a 10+ year relationship with Clarkston, the client engaged our team to lead the integration of this business and organize 100+ employees in all functions to complete it for guidance through the process. This included all planning and execution to ensure that this integration achieved financial, human capital, and operational metrics that were key to the continuation of profitable growth for the brands.

# Consumer Products Case Study

PROJECT OVERVIEW

clarkston CONSULTING

## INDUSTRY:

Consumer Products

## PRODUCTS AND SERVICES:

Manufactures and markets household, personal care, and specialty consumer goods

## PRIMARY OBJECTIVES:

- Complete business integration lifecycle (deal close to integration complete) in 5 months, creating an incremental $100M in Revenue and 3% cash accretion to NPS
- Realize $5M cost savings and synergy by utilizing the parent company leverage, buying power, and human capital
- Position the new brands for long-term growth by maximizing the use of the parent company marketing reach and sales capabilities
- Complete the acquisition smoothly, causing minimal disruption to the base business

## RESOLUTION:

- Clarkston joined during due diligence to begin the integration planning. This included facilitating various workshops with senior leadership to determine the design of the integration, define implications for each function, and build the master integration plan.
- As the deal was announced, Clarkston began leading several teams through the initial stages of integration, developing detailed plans for sales, marketing, manufacturing, supply chain, R&D, finance, accounting, HR, legal, and IT.
- Clarkston led the integration management office in completing the integration for each function, including executive management and functional teams to ensure the integration was successful.
- Clarkston played a key role in incorporating employees acquired as part of the deal into the client's organization and supported the hiring and exiting of select roles as part of the acquisition

## KEY BENEFITS:

- The integration was completed successfully on time, contributing 3% cash accretion to earnings and synergies in the tens of millions.
- The integration was planned in record timing allowing teams to quickly transition to execution and pull the finish date up significantly.
- 150 customers and brokers were moved onto a new order to cash process
- Active marketing and digital agency work were transitioned without disruption
- All active R&D and commercialization programs were migrated to company FDA-compliant standards, including GXP product and process data
- Four contract manufacturers were onboarded to support production
- Full supply chain carveout from managed services provider to in-house warehouses, transportation, and planning
- Transitioned all business processes and data from NetSuite to SAP ERP
- Leadership reported this integration to be the "smoothest integration in years", allowing the business to focus on other critical initiatives.
- How much money do I need to invest (and where) to hit my revenue target in Q3?

## >$5M

**>$5M synergies realized during acquisition integration, exceeding cost savings targets**

## 150+

**150+ customers moved to new order to cash process**

## 200+

**200+ vendors moved to new procure to pay process**

**"In more than 15 acquisitions, this was the first time that we've brought in an external partner to lead the integration of a new brand into our business. Clarkston's ability to quickly assimilate into our teams, engage with our executive team and manage a cross-functional integration plan, with minimal disruption to our base business, was critical to our success."**

- VP, Corporate Strategy and M&A

CONTACT US