Consumer Products Case Study

PROJECT OVERVIEW

Operations Due Diligence for a CPG Acquisition

The client is a private equity firm focused on investments across several industries, including industrials, consumer products, retail, food and beverage, services, education, and distribution and logistics. Seeking to acquire a line of beverage brands from a large consumer products business, the PE firm contacted Clarkston to conduct due diligence for the potential acquisition. Leveraging Clarkston's industry-focused consultants and diligence experts, the firm hoped to gain a better understanding of the target's capabilities in manufacturing and supply chain.

Clarkston's industry experts and diligence team evaluated the target's capabilities across manufacturing and supply chain related functions, including procurement, demand and supply planning, manufacturing execution, warehousing and transportation management, and more. Juxtaposed against industry best practices and peer competitors, our team identified specific strengths as well as underperforming areas that may require future investment. We evaluated the current system landscape and designed future state recommendations for a new standalone entity, in addition to other deliverables focused around the target acquisition.

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INDUSTRY:

Consumer Products

PRODUCTS AND SERVICES:

Manufacturing & Supply Chain

PRIMARY OBJECTIVES:

- Evaluate the target's operational capabilities within manufacturing and supply chain against industry standards and peer competition
- Conduct manufacturing and warehousing site visits for a thorough assessment of current operational performance and potential short- and long-term investments to support future growth
- Provide recommendation on system and operational capabilities required as a stand-alone entity and critical support elements from the parent company to include in the Transition Services Agreement (TSA)

RESOLUTION:

- Assessed target's operational capabilities against industry best practices and peer competitors
- Conducted target site visits to evaluate each site's procurement, manufacturing and transportation management capabilities, as well as its strengths and areas of improvement within quality, safety, R&D, labor management, and more
- Examination of acquisition risks and mitigation strategies
- Detailed capital investments roadmap, with near-, mid- and long- term priorities

KEY BENEFITS:

- A thorough Operational Due Diligence Report focused on target's Manufacturing and Supply Chain capabilities against industry benchmarks and peer standards
- Robust manufacturing and supply chain analysis and diligence to support deal underwriting
- An investment roadmap to support the standalone operations beyond the transition period from parent company

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Learn more about Clarkston's due diligence and M&A services and experience below:

M&A Services

Consumer Products Services

A Better Approach to Due Diligence Investment Criteria

Deal Acceleration Through Industry Expertise During Commercial Due Diligence

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