

Case Example | Increasing Exit Multiples through Growth

Humatica helped a mid-market buy-out achieve an outstanding exit multiple by activating the organization to achieve revenue growth while maintaining profitability.

BACKGROUND & CONTEXT

- MBO as non-core division diversified, multinational industrial products company
- Industrial sensor equipment manufacturer, active in eight countries
- High profitability but no sales growth
- Little progress toward aggressive strategic and operational goals from MBO
- Schedule and budget problems with new product development
- Complex coordination between functions
- Employee de-motivation and fear
Lack of initiative, lethargy

MEASURES

- Stopped major product development because of organizational risk
- Defined new corporate strategy
- Implemented rigorous project review, budgeting and other leadership process
- Specific leadership behavior changes adopted by the senior management
- New CEO / leadership communications processes established

RESULTS

- Turn-around in sales growth achieved:
+20% organic sales growth achieved within 1-1/2 year
- Maintained very high EBIT margin
- High value exit realized

HUMATICA APPROACH

- Organizational performance and behavioral benchmarking using a proprietary methodology
- Data-mining and analysis to identify specific, dysfunctional behaviors blocking performance
- Benchmark core leadership processes against leading firms
- Define roadmap of changes coordinated changes with the management to improve performance of the organization
- Approximately ten weeks required from start until finalized roadmap of specific changes agreed with the extended, global management team

