CASE STUDY: MERGER INTEGRATION INITIATIVES FOR MANUFACTURER LEAD TO $1 MILLION IN ANNUAL SAVINGS

Overview

A series of mergers and acquisitions by a private equity-owned, multi-location manufacturer of vinyl and aluminum windows and doors created multiple challenges. Management needed guidance to help them more effectively integrate the finance function that supports the entire organization. They also sought to improve the visibility of customer and product line profitability as they streamlined back office functions.

RSM’s ability to deliver solid results during a transaction due diligence and quality of earnings engagement gave the company confidence that RSM was the right choice to help them achieve their finance transformation goals and objectives.

The list of challenges included:

- The use of multiple systems throughout the organization
- Inefficiencies created by multiple back office departments and inconsistent processes
- Different policies and procedures in place across the organization
- Inability to produce consolidated financial reporting from a single system

The organization struggled to:

- Define key reporting metrics
- Provide monthly and quarterly reporting
- Enact treasury consolidation
- Develop project management planning for internal projects
- Streamline processes to reduce overall indirect labor costs
RSM’s approach

RSM was engaged to assist with back office merger integration, finance transformation, project management office setup and customer/product line profitability visibility. Using a three-phase approach, RSM professionals helped the client through each of the three initiatives.

Phase I
The RSM team conducted a Rapid Assessment® that highlighted key areas of improvement and challenges facing the back office functions, including finance, customer service, purchasing and human resources. Following the assessment, the client received a roadmap outlining steps to implement more effective customer/product line profitability reporting.

Phase II
RSM professionals detailed the current business processes in place and identified areas for improvement. They provided detailed project plans for future state operations for the finance and customer service functions and assisted with plan implementation.

Phase III
The team assisted with system enhancements and future state design of the new general ledger and reporting functions. This new design led to: 1) greater transparency for monthly reporting; 2) reduced headcount in the finance function; 3) improved financial planning and analysis; and 4) a consistent reporting methodology across divisions.

Outcomes

The RSM team identified and implemented cost-saving initiatives in finance and customer service, resulting in $1 million in annual EBITDA improvement.

RSM successfully:

• Created a consolidated general ledger and reporting package
• Enhanced customer/product line profitability reporting
• Assisted the company in formulating a strong project management function and a more strategic finance group
• Integrated the finance and customer service functions of multiple locations