

Standing up a carve out for a multinational business

Ensuring continuity of supply and meeting revenue expectations
in a highly complex business environment

The results

Maine Pointe's team of industry and practice experts worked in close partnership with our clients, taking a holistic, total business approach to achieve a fast and clean carve out.

- Created a stand-alone global supply chain capability in just 14 weeks
- Ensured no disruption to trade for the new entity
- Negotiated terms that were as good or better than the parent company
- Established over 1,300 purchase orders with non-essential suppliers
- Negotiated 100 key local, regional and global contracts
- Created global procurement policy which includes schedule of authority and standard terms and conditions
- Developed a comprehensive S&OP framework
- Laid the foundation for cross-functional collaboration

This story is for private equity executives and company CEOs who:

1. Are looking to apply carve outs from a multinational business in a very short period of time.
2. Require specialist supply chain and operations support to stand up a new entity with a global supply chain.
3. Are looking for ongoing support and defacto leadership in creating the operations function for an independent company.

The challenge

Our private equity client was seeking specialist capabilities to support their stand up of a carve out from a major multinational pharmaceutical and consumer goods company.

As the parent company would not be providing any shared services, the challenge was to ensure that the critical functions of the carved out organization, an API (Active Pharmaceutical Ingredient) manufacturer, were in place and capable of running as an independent company within 14 weeks.

To achieve this, the PE firm required a partner with direct and indirect materials procurement, logistics, operations and S&OP capabilities that was able to provide rapid results at very short notice.

A fast and clean supply chain stand up in a complex environment

A growing and highly regulated market added to the complexities of standing up a new business. Our team of experienced supply chain leaders quickly assessed the situation, deploying a solution to achieve fast and clean separation that incorporated:



- Working shoulder-to-shoulder with the client and partners to develop a comprehensive shared services entity
- Establishing critical supply chain functions such as procurement and S&OP
- Negotiating and assigning over 1,400 local, regional and global supplier contracts with major direct and indirect materials suppliers
- Overcoming limited availability of information by utilizing data analytics to analyze the spend cube and determine critical supplier agreements to be rapidly renegotiated
- Performing gap analysis between current state and 'Day One' state along with resource requirements needed to close the gap
- Evaluating existing S&OP process & introducing areas for improvements
- Contributing to the TSA (Transitional Service Agreement) for shared services

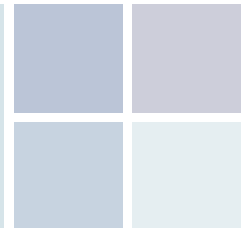
Our holistic total business approach and highly collaborative relationship with the PE firm delivered rapid results while maintaining levels of service, quality and pricing, creating a roadmap for future divestitures.

"Maine Pointe did a great job as our 'thought partner' on this project and helping us to develop an executable plan. Maine Pointe went beyond what I expected, stepping outside of their supply chain role to help us close gaps before we even knew there was a problem."

Client Principal

Lessons learned for other executives

- It is possible to stand up a carve out within a very short period of time
- The key to successful divestiture is communication between all stakeholders
- You can negotiate advantageous supplier agreements for a new entity and maintain parity in service, quality and pricing



Want to **stand up an independent global supply chain** in a very short period of time?

Want to **consolidate your vendors** and **increase operational discipline** across your organization?

Talk it through in a no obligation phone call or meeting with one of our executives.

Email info@mainepointe.com to arrange a call

About Maine Pointe

Maine Pointe is an operational implementation focused consulting firm that accelerates measurable performance improvements in both EBITDA and cash flow for chief executives and private equity firms around the world. As specialists in procurement, logistics and operations, Maine Pointe is uniquely positioned to accelerate measurable improvement across the buy-make-move-fulfill supply chain to deliver the greatest value to customers and investors at the lowest cost to business through Total Value Optimization™.

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