

EFFICIENCY, EXIT, CASH: DOUBLE PROFITS, DOUBLE VALUE

BACKGROUND

A \$25 million distributor of commercial-grade air compressor systems preparing for ownership transition engaged our firm to help improve profitability ahead of a planned sale.

The owner wanted to exit the business, but while sales had been growing, profits remained flat—threatening the company's valuation and the return on decades of hard work.

SOLUTIONS

Our cash optimization process focused on the areas that most directly impacted profitability and valuation:

- Improved labor efficiency to generate more gross profit per labor dollar
- Standardized pricing across service and product lines to protect margins
- Implemented inventory controls to free up cash and strengthen the balance sheet

CONCLUSION

By aligning pricing, labor performance, and cash management, the company unlocked exponential value—proving that small, strategic improvements in efficiency can dramatically increase both profitability and sale price.



AT A GLANCE

Challenges

- Flat profits despite consistent revenue growth
- Labor-heavy service division with low efficiency
- Excess inventory tying up working capital
- Underutilized pricing controls reducing margins

Benefits

- Doubled profits in just six months
- Achieved a 7× EBITDA multiple upon exit
- Enhanced company valuation exponentially through focused operational improvements

***Save money, make money, stay out of
trouble, have fun.™***