

Driving 135% EBITDA Growth for a Century-Old Consumer Goods Firm

CLIENT OVERVIEW

A private equity-backed food and beverage company with over a century of history, the client is committed to hyper-local sourcing and sustainable practices.



ABOUT E78

E78 is a business advisory firm built for private equity, portfolio companies and corporate leaders. We combine strategic advisory, scalable managed services, and specialized talent to drive value at every stage of your business. Rooted in finance. Accelerated by technology. Obsessed with results. We create value from transaction to transformation.

THE SITUATION

The client's hyper-local sourcing model created significant procurement challenges. Operating within a narrow seasonal window, they faced difficulties in forecasting, procuring, and managing inventory amidst unpredictable weather, rising costs, and shifting consumer demand. These challenges were intensified by the need to maintain resource efficiency in an inflationary economy while preserving partnerships and sustainability of small, local businesses integral to their supply chain.

To address these issues, the client partnered with E78 to streamline operations, embed data-driven insights, and equip leadership with actionable, quantifiable data.

THE CHALLENGE

The client encountered several operational hurdles:

- **Complex Procurement:** Managing a network of local suppliers nationwide required precise coordination and inventory management.
- **Forecasting Volatility:** Seasonal constraints, unpredictable weather, and animal health risks complicated accurate demand and supply predictions.
- **Sustainability Goals:** Scaling operations while preserving relationships with local suppliers demanded innovative strategies.
- **Sponsor Reporting:** As a private equity-backed firm, the client needed to deliver transparent financial and operational reporting to their stakeholders for performance tracking and risk management.

THE SOLUTION

E78 implemented a transformative, tailored solution to overhaul the client's operations. By embedding experts within the organization, E78 deployed the DIPP Model (Demand, Inventory, Production, and Procurement), a comprehensive platform that integrated inventory, procurement, production schedules, and sales forecasts to provide full operational visibility and precise demand fulfillment. Additional tools included:



Ingredient Tracker: A dynamic forecasting tool enabling proactive procurement to secure ingredients ahead of seasonal fluctuations.



Blend Builder: An optimization tool that balanced flavor profiles and inventory use to ensure consistent, high-quality products while reducing waste.



Mini-DIPP/Materials Procurement: A tool supporting the timely acquisition of unique materials (e.g., bottles, caps, labels) to maintain product quality and brand consistency as product lines expanded.



Statement Forecast Model: A financial tool integrating operational and inventory data to provide real-time performance insights for leadership and financial sponsors, supported by E78's FP&A team for ongoing accuracy.

THE RESULTS

E78's partnership delivered measurable results and lasting value:

- **Financial Growth:** 43% revenue increase, 800bps margin expansion, and 135% EBITDA growth over a two-year period.
- **Product Expansion:** Successfully launched 4 new product lines.
- **Improved Forecasting:** Enabled rolling forecasts for the first time, with a 50%+ reduction in time spent on re-forecasting and budgeting.
- **Reduced Downtime:** Reduced production downtime due to materials shortages by 75%.
- **Streamlined Procurement:** The DIPP Model and Ingredient Tracker resolved procurement bottlenecks, ensuring reliable food supplies despite seasonal challenges.
- **Optimized Resources:** The Blend Builder and Mini-DIPP reduced waste and improved material efficiency, addressing inflationary pressures.
- **Enhanced Stakeholder Visibility:** The Statement Forecast Model provided transparent, data-driven insights, enabling better strategic decisions for leadership and financial sponsors.
- **Strengthened Sustainability:** Streamlined processes reinforced partnerships with local businesses, aligning with the client's commitment to sustainable food production.
- **Operational Efficiency:** Eliminated the need for an internal FP&A resource, streamlining financial operations.

A SUSTAINABLE FUTURE

Through E78's innovative solutions, the client transformed operational complexity into a powerful competitive advantage. This partnership not only ensured continued quality and sustainability but also showcased how operational excellence can align with a purpose-driven mission, securing the client's legacy for the future. Ready to unlock transformative growth and efficiency for your business? **Contact E78 today** to achieve game-changing results and drive your vision forward.