

1

BUSINESS GROWTH STRATEGY

***RD-1
INVESTMENT***

\$50,000

Decide quickly on this investment. If you decide to invest, immediately go to the teacher and ask for a Strategy Report, which may help inform the rest of your RD-1 Investment decisions!

Invest in a business consultant to help create a long-term vision & strategy for ALU.

You'll receive a strategy report that could help Alu grow by providing:

- Market research and other insights into internal and external growth challenges and opportunities
- Data and analysis to help choose investments & make better decisions
- Improved alignment of your leadership team

**READY
OR NOT
2.0**

2

PRODUCTION EFFICIENCY

**RD-1
INVESTMENT****\$100,000**

Transition Alu's manufacturing from chaos to stability by adopting a Lean Culture. Hire skilled coaches using established best practices to integrate Lean philosophy, fundamentals and training across Alu.

Lean focuses on optimizing employees and equipment before engaging in more capital-intensive projects such as line and shift expansions or new equipment.

Start by analyzing and optimizing materials flow and information to identify and eliminate the biggest capacity constraints. In future years, you'll move to other capacity-building and cost-reducing improvements.

This investment could deliver:

- Increased safety and employee engagement
- Reduced downtime thru preventative maintenance
- Substantial CAP gains
- Better quality, reduced inventories & reduced COSTS
- Improved product lead times & business cash flow



3

ADD 2nd SHIFT

**RD-1
INVESTMENT****\$50,000**

The more hours your factory runs, the greater its Capacity. Invest \$50K for the recruiting costs and additional overhead of a 2nd Shift. This includes five new line techs, one new line lead and a new supervisor to allow your factory to make SUPs in the evening.

A 2nd Shift eliminates the “waste” of your factory sitting idle 2/3rds of the day and could deliver:

- 1,000-2,000 more SUP's annually
- \$1-2 million in additional revenue (if you have enough Orders to sell them)
- Faster order to delivery lead times

THE \$50K UPFRONT COST COUNTS AGAINST YOUR \$250K RD-1 INVESTMENT BUDGET.

THIS INVESTMENT WILL ADD \$300,000 to \$400,000 TO YOUR TOTAL COSTS AT THE END OF THE ROUND TO ACCOUNT FOR PAYING YOUR 2ND SHIFT EMPLOYEES. THAT WILL COME FROM THE EXTRA \$1-2M IN REVENUE YOU'LL EARN IF YOU CAN SELL THE ADDITIONAL BOARDS.



4

SUPPLY CHAIN OPTIMIZATION

**RD-1
INVESTMENT****\$75,000**

Make your supply chain a competitive advantage by giving the Supply Chain Mgr. training, coaching and resources to build and run an Optimization Strategy.

This could evolve your inventory cycle counting process from an annual inventory to a daily & weekly inventory process with real-time inventory data.

Real-time data helps reduce inventory and materials costs and reducing downtime caused by materials and parts shortages & delays.

This investment could deliver:

- Reduced operating & shipping costs
- Improved cash flow by optimizing purchasing, placement and inventory flow
- Fewer supply chain disruptions & reduced factory downtime
- Stronger relationships with suppliers
- Increased Capacity

**READY
OR NOT
2.0**

5

EMPLOYEE DEVELOPMENT

**RD-1
INVESTMENT****\$50,000**

Invest in your most valuable asset – employees – by creating an employee training and development program.

Task HR and managers to observe and document work processes (a critical first step in cross-training), which naturally reduces quality problems, improves inefficient processes, reduces materials waste and improves efficiency.

This investment could deliver:

- Career path planning to help motivate and retain employees.
- Cross-training employees to perform two or more jobs or skills giving all employees a better understanding of company-wide goals, operations and processes leading to improved teamwork
- Increased resilience and flexibility in dealing with problems to reduce downtime & increase Capacity.
- Increased skills and knowledge, reducing employee stagnation, burnout and turnover.
- Reduced Costs associated with hiring and training both temporary and replacement workers.

**READY
OR NOT
2.0**



MAXIMIZE SALES

RD-1
INVESTMENT

\$100,000

Expand Alu's sales and distribution channels by hiring experts to conduct consumer research and brand building projects.

They will help Alue develop a brand, marketing and sales plan to expand Alu's footprint in both online and brick and mortar specialty outdoor watersports stores.

This investment could deliver:

- Expansion into additional states across the US and Canada to grow overall market penetration among "Boutique" watersports stores
- Increased ability to generate and qualify new customer leads and increase ORDERS
- Better relationships and expanded merchandising footprint with existing retail partners leading to more ORDERS and higher ASP

