

# Business Transformation

## Benefits of an Auxis Implemented Integration

- Reliable consistent communication to stakeholders
- Deep functional experience in Finance and Accounting, Supply Chain, HR and IT
- Project management that promotes accountability and progress
- Implementation of process enhancement by leveraging best practices among all organizations involved
- Rapid Implementation of change initiatives
- Cost efficient for the enterprise

M&A integrations are an ever-increasing challenge, with research showing that about half of them fail. The more common reasons are:

- Failure to articulate a clear picture of the end-state operations
- Failure to define the specific business results expected
- Failure to define organization construct
- Failure to integrate critical business processes/guidelines
- Attempting consensus
- Left to their own discretion, the management ranks of both organizations will resist many of the changes required to make the acquisition successful

Auxis can help by delivering solutions that address your organization's distinct transformation needs. For over 17 years Auxis has been designing and implementing business transformation initiatives for our clients. Within the M&A cycle, Auxis has delivered proven results with insightful Operational Due Diligence, comprehensive and organized Pre-Merger/Acquisition Planning, and managed successful Post Merger Integration efforts across the Americas.

## The Auxis Business Transformation advantage:

- We act as an extension of our client's team, actually implementing initiatives rather than just project managing them
- We provide extensive industry expertise across the key integration functions such as Finance and Accounting, Supply Chain, Information Technology and Human Resources
- Our consultants have deep industry experience, providing a unique transformation perspective
- Multi-lingual; multi-cultural team
- Significant pricing advantage against other consulting firms
- Focused on establishing long-term partnerships with our clients

It is imperative to team up with the right partner to realize the expected goals. Auxis' proven track record and hands-on approach towards transformational change allows our clients to focus on growing their business while their change objectives are being accomplished.

**Auxis' innovative integration approach is manageable and measurable**

Step 1:  
Operational Due Diligence  
"Confirm What You Have"

Step 2:  
Strategic Assessment  
"Find the Value"

Step 3:  
Location Analysis + Diagnostics and Solution Design  
"Analyze the Value"

Step 4:  
Integration  
"Realize the Value"

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## What Our Clients Say

"When we look at Latin America... it's a conglomerate of different cultures and languages. Auxis really understood that and was a great partner, helping us bring the two companies together... They did not feel like they were outside consultants but that they were really part of our company."

— Eduard Roosli  
President, Latin America/Australia  
New Zealand Spectrum Brands

"This was the largest project Applica had ever tackled and failure was not an option. We were replacing 15 years of processes, legacy system development and integration in a span of two years. Auxis' project leadership, structured approach, partner mentality, and advocacy on behalf of Applica during this entire process were extremely valuable to us."

— Terry Polistina,  
CEO, Applica Consumer Products

"I can say that the difference with Auxis is the people. Everyone we worked with at Auxis took the time to understand the project, the needs, the requests and the problems. They understood our business and never talked above our heads and were not the disciples of management theory."

— Mark Koschny  
SVP of Sales & Marketing  
Ameriserve Food Distribution, Inc.

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## Client Results

### PepsiCo Mexico Bottling

- Successfully formed a three-way joint venture among PepsiCo, GEUSA, and Pepsi's Venezuelan bottler
- Strengthened competitive position and drove growth by creating a well-rounded product portfolio, revamping Go-to-Market capabilities, and leveraging the power of a unified beverage organization
- Identified approx. \$100M in operating profit synergies in a three-year period and 500+ basis points improvement in overall EBITDA margins

### Salton

- Led operating model transformation initiative to simplify business footprint and financially improved their operating performance
- Identified and delivered over \$50M in annualized EBITDA; \$35M EBITDA improvement delivered in Year One
- Reduced and streamlined distribution footprint, including 60% reduction in distribution center space
- Outsourced key functions to implement a more variable cost model

### Spectrum Brands

- Successfully managed the overall detachment and integration of the Stanley - Black & Decker Hardware and Home Improvement Group (HHI) Latin American division
- Served as a strategic partner and link between Spectrum Brands' leaders and HHI leaders
- Avoided \$2 million of Temporary Services Agreement (TSA) fees as a result of early exits, representing 45% of the original TSA estimate
- Identified and quantified revenue synergies of \$4.5 million on an annualized basis
- Reduced direct employee headcount by over 35% compared to the initially proposed Org Chart (Equivalent to annual savings of \$650K)

### International Meal Company

- Performed Operational Due Diligence, Pre-Acquisition Planning, and Post Merger Integrations for the acquisition of Margaritaville Restaurants across the United States
- Identified significant process enhancements and internal controls opportunities
- Successfully integrated and stabilized the back-office functions including Finance and Accounting, Operations, and Human Resources for the acquisition
- Identified approx. \$400K in expired and obsolete inventory, which resulted in a reduction of the purchase price of the acquired company
- 16% reduction in overhead — plus enhanced process efficiencies, automation and internal controls

### Six L's Packing Company

- Diversified large grower, packer, re-packer and shipper of fruits and vegetables
- Worked with management to assess operations and determine corporate strengths
- Created the company's growth strategy including key market research, operational analysis and risk assessment
- Identified and performed due diligence on acquisition targets which fit the new growth strategy