



Private Equity and Venture Capital Services



Merger and Acquisition Due Diligence Support

Alpine Supply Chain Solutions leverages our full-service offering portfolio to assist companies with their due diligence activities for mergers and acquisitions.

When most enterprises evaluate a merger or acquisition target, financials, business growth and synergy form the bulk of the activity of the due diligence effort. It is Alpine's position that this is not enough. Merging two entities involves the combination, either planned or ad hoc, of infrastructures and distribution functions.

Specific areas that we can support include the following:

- ▶ Distribution Network Assessment
- ▶ Warehouse Best Practice Assessment
- ▶ Transportation/Carrier Portfolio and Operational Assessment
- ▶ Supply Chain Systems and Infrastructure Assessment
- ▶ Human Resource Assessment

Distribution Network Assessment

Distribution network assessment is focused on the merging of two distinct and independent fulfillment operations and distribution networks.

This assessment can include:

- ▶ Current networks baseline
- ▶ Inventory rationalization and mitigation
- ▶ How many distribution/fulfillment centers do we need to meet a certain service level or order-delivery cycle-time?
- ▶ Where should distribution/fulfillment centers be located?
- ▶ Which facilities can be combined, eliminated, or outsourced to a 3PL?
- ▶ What transportation modes and carriers should be used?
- ▶ How does the network impact sourcing?
- ▶ How do service level targets impact inventory investment?

Warehouse Best Practice Assessment

A warehouse best practice assessment examines the similarities, differences, and opportunities for synergy between the different operations of the two companies. This assessment can include:

- ▶ Warehouse operational procedures
- ▶ Warehouse key performance indicators, similarities, and opportunities for improvement
- ▶ Capital improvements for both facility and equipment that might be required



Transportation/Carrier Portfolio and Operational Assessment

Transportation and distribution operations between the two entities should be similar in that different industries still move product in and out of their facilities in similar ways. This assessment can include:

- ▶ Examination of carrier portfolio for synergies, opportunities for better pricing based on combined freight volumes, etc.
- ▶ Opportunities for operational synergies
- ▶ Transportation mode analysis

Supply Chain Systems and Infrastructure Assessment

When combining enterprises, the systems used to manage each operation as separate entities offer the opportunity for consolidation and or replacement. If the acquired company is a carve out from a larger organization, there will be a negotiated window for the acquired company to be removed from the former systems and networks. This assessment can include:

- ▶ IT system architecture development and timeline for the combined entities
- ▶ Supply chain execution systems assessment
- ▶ ERP systems assessment
- ▶ Enterprise solution requirements development and selection support (e.g. ERP, WMS, TMS, middleware, HRMS, etc.)

Human Resource Assessment

Merging the people of two organizations is one of the most sensitive and potentially difficult portions of an acquisition to execute effectively and successfully. This assessment can include:

- ▶ Review current and long-term staffing metrics and develop a merger plan for the executive team
- ▶ Assessment of key areas
 - ▶ Staffing rationalization
 - ▶ Compensation plan comparisons and development of a new combined compensation plan
 - ▶ Staff interviews and performance assessment including review of existing personnel records
 - ▶ Acquired staff plan for retention, on-boarding, communication, etc.
 - ▶ Staffing mix review- FT, PT, seasonal, and temporary
 - ▶ Headcount forecast - planned vs. actual headcount analysis
- ▶ Employee culture assessment
- ▶ Development of long-term staffing model for the combined organization
- ▶ Development of training programs to facilitate the integration of the two organizations