



**Charlie Reid & Associates**  
STRATEGIC MANUFACTURING SOLUTIONS



HELPING INVESTORS EVALUATE MANUFACTURING RISK



## Providing Operational Due Diligence and Advisory Services to Canada's Private Equity, Venture Capital, and Mezzanine Debt Investors.

### Evaluating Manufacturing Risk

Charlie Reid & Associates brings a unique combination of deep technical industrial qualifications; senior level manufacturing consulting work; and corporate finance advisory experience to help our clients evaluate the strengths and weaknesses of their prospective or existing manufacturing investments.

Is there hidden value in the deal that enhances its value; are there weaknesses that suggest a lower price is in order; worse, are there indications that the investment will underperform or even fail; are there combinations of the above?

We evaluate manufacturing risk and describe it to you in clear understandable terms. We put technical content knowledge and analysis into deal context.

Here's how we can help:

### What We Do

#### Before the Deal - Transaction Support

This due diligence service establishes whether your investment targets are who they say they are. Is there more or less value in the deal than reported? Are there any deal breakers?

- Assessment of Operations
  - Evaluation of Management Systems and Staff
  - Quantification of Growth Capacity
  - Evaluation of CAPEX Plans
- Identification of Hidden Value
  - True Excess Capacity
  - Productivity and Cost Improvement Potential
- Assessment of Pre-Revenue Emerging Technology

#### After the Deal - Portfolio Management Services

Most often these services will focus on either evaluating underperforming files or post deal operations improvement of either problem files or recently acquired ones.

- Operations Improvement Implementation
- Problem File Evaluation
  - Operational Viability
  - Evaluation of Secondary Capital Injections
- Board Driven Operational Issue Investigations
- Coaching and Monitoring



*"By far, one of the most user friendly, and thorough operational due diligence reports I've ever seen."*

**Rob Olsen**  
Co-President  
CCFL Mezzanine Partners

## What We've Done

Listed below are a few of the projects we've worked on and the kinds of support we provided. In each we evaluated manufacturing risks and threats, and identified opportunities and improvement strategies. In some cases we helped to implement needed operational change. More detailed reviews of these and other projects are available on request

### Operational Due Diligence

- **Steelmaking Facility** - Evaluated reasonability of projected CAPEX requirements and adjusted where necessary (8 days)
- **Automotive Stamping Company** - Comprehensive operational due diligence study of a five plant operation (15 days)
- **Consumer Product Plastic Injection Moulding Company** - Evaluated claimed technical advantages of a multi plant operation (6 days)

### Problem File Evaluations

- **Automotive Compression Moulder** - Evaluated viability (10 days)
- **Food Processing Operation** - Evaluated reasonability of a potential secondary capital injection (4 days)

### Board Driven Operational Issues

- **Consumer Products Company (public)** - Evaluated launch problems in a mission critical new plant start up for a high end high volume seasonal product and introduced the changes needed to meet deadlines (10 days followed by 16 weeks of implementation)
- **Auto Parts Company (public)** - Assessed the launch readiness of a 1,000,000 sq ft green-field facility launching state of art production technology (15 days)

## about Charlie Reid



Charlie Reid P.Eng is the founder and president of Charlie Reid & Associates Strategic Manufacturing Solutions Inc. He has 24 years of manufacturing experience including line executive roles in industry, consulting, and corporate finance. He sits on several Boards, both public and private.

Prior to launching his own firm, Charlie was a Partner at Ernst & Young. There he led the Manufacturing Consulting Group and was National Director of the Automotive Industry Practice for all disciplines of the firm. Charlie was considered one of the firm's top Lean Manufacturing practitioners world wide.

In addition to his technical depth and breadth in virtually all forms of manufacturing, he is a recognized authority on the Canadian Automotive Part industry sector.

Charlie holds an engineering degree in metallurgy from the University of Western Ontario.

*"This work exceeded our expectations. The identification of hidden value in the deal was an unexpected bonus!"*

**Gilbert S. Palter**  
**COO and Managing Partner**  
**EdgeStone Capital Partners**





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