



Seraph.

SERAPH DEAL PHASE ASSESSMENT PROCESS & VALUE CREATION METHODOLOGY

Repeatable, Flexible World-class Assessment and Operating Methodology

Quickly assess, identify performance improvement opportunities, and quantify financial impact. Our Performance Improvement Consultants develop a Go-Forward Implementation Plan to drive rapid value creation and long-term stability.

SERAPH ASSESSMENTS

DEAL PHASE EVALUATION / VALUE CREATION PHASE

Comprehensive Tools & Experience

When decision timing is critical, firms can't afford to wait weeks or months for clarity. Seraph developed a proprietary assessment process to give stakeholders a fast, accurate understanding of an organization's health.

Seasoned operations consultants with deep industry expertise conduct our assessment leveraging a **proven methodology** based on world-class plants and successful turn around projects. Designed as a **flexible tool** applicable across all industries, including Automotive, Aerospace, General Manufacturing, and Medical Devices, it delivers a **comprehensive overview** with **actionable recommendations** for immediate improvement.

Assessment types

Seraph has two assessment processes:

Rapid Plant Assessment

- 1-day duration
- High-level review of risks associated with the targeted company
- Focus is people, production, quality, and logistics

Manufacturing Assessment

- 2.5-day duration
- Deep, data-driven review of risks associated with the targeted company
- Focus is program management, people, production, quality, and logistics

Seraph assessments are designed for decisive action, structured as below:

1	Assessment Scope & Team	
2	Executive Summary	
3	Key Takeaways, Issues and Risks	
	▪ Quality - Operations - Logistics	
4	Recommendations & Action Plan Overview	
	▪ Capacity & OEE	
5	Situation Context & Detail (for example)	<ul style="list-style-type: none"> ▪ Production Forecast Ramp up ▪ Scrap performance ▪ Revalidation Process
	<ul style="list-style-type: none"> ▪ Human Resources ▪ Process Flow Overview 	
6	Next Steps	

SERAPH ASSESSMENTS

DEAL PHASE EVALUATION / VALUE CREATION PHASE

Assessment Focus

Seraph begins with four core areas, expanding scope and depth as the specific situation demands.



People

- Manning Plan (Attrition/Absenteeism, Strength of team)
- Training Plan



Production

- Equipment review
- Capacity Planning (OEE, ability to flex, open capacity)
- Visual Management
- Escalation & Reaction Rules
- Production Discipline



Quality

- Customer Response Management
- Problem-Solving



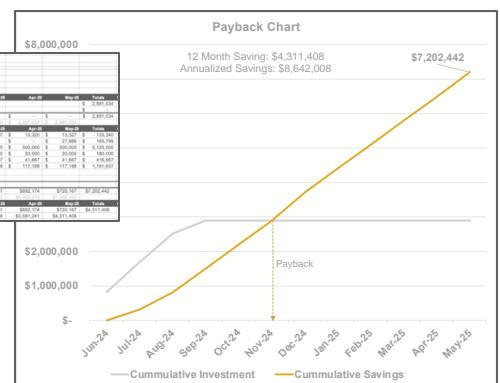
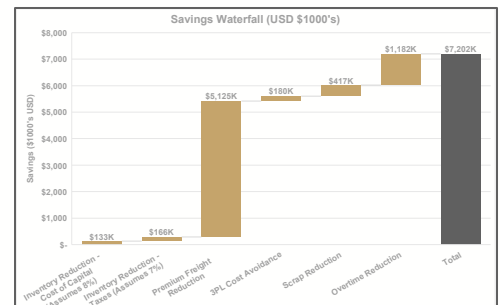
Logistics

- Production Planning
- Material Flow
- Inventory Management
- Supplier Management / Contingency Planning

ROI vs Cost

Our team proactively identifies potential savings during the assessment and compiles them into a structured list. Once the project cost is determined, we update the ROI table with the cost to implement and projected monthly savings. The Savings Waterfall and ROI vs. Cost charts are generated to provide an overview of the investment opportunity.

Item	Current Observation	Estimated Annual Cost Savings	Estimated Cost Flow Impact	Estimated Cost Avoidance	Comments
Item	Current Observation	Estimated Annual Cost Savings	Estimated Cost Flow Impact	Estimated Cost Avoidance	Comments
Facility Overview					
Est. Annual Revenue					
Estimated Rate by Ft.					
Estimated Rate by Sq. Ft.					
Total Headcount (including and excluding)					
Facility Performance (OEE)					
How much downtime is in experience					Number One cause of downtime - Accounted for in the OEE reduction.
Logistics (O)					
Technical (O)					
Management (Storage O)					
How much is the Quality Loss in OEE					
Result %					
Performance Loss					
Labor Cost Estimate					
What is the RTR - Direct Labor					
Current HC - Direct Labor					
What is the RTR - Indirect Labor					
Current HC - Indirect Labor					
How much Overtime is being worked					Overtime Reduction - Sundays
Inventory					
What is the Target Inventory					
Current Inventory					
Observed Inventory					
What was the last Physical Inv. Write-off					
Cost Savings for Sq. Ft. if appropriate					
Extra/Unplanned Cost					
Premium Freight					
Customer Charge Back - Mixed Delivery					
Customer Charge Back - Quality Issue					
3rd Party Quality Cost (Quality Walls, stock audits, etc.)					
External Warehouse Cost (for trailers)					
1000 Pallets, 80 x 4					
Cost Avoidance					
Additional External Warehouse Cost					
Additional Capex Avoidance (Equipment, Plant Expansion, etc.)					



SERAPH ASSESSMENTS

DEAL PHASE EVALUATION / VALUE CREATION PHASE

Final Client Package: Rapid Insights

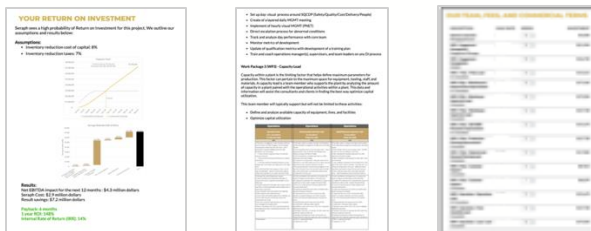
Assessment Report

Target 24-48 Hours after assessment



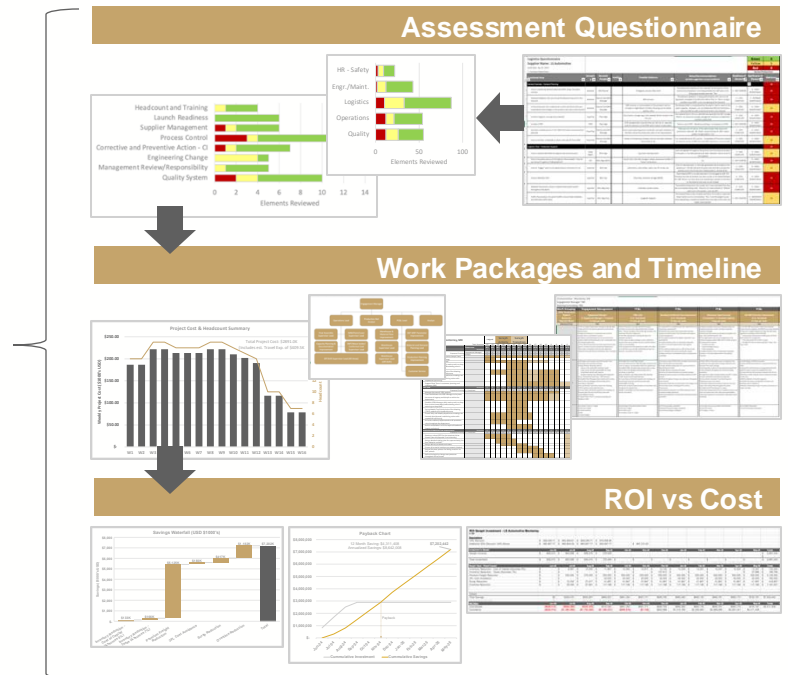
Proposal

Target 72 Hours after assessment



Assessments Common Findings

- **Strong operational leadership is critical in all operations and departments.** If there a disconnect between management and the working level, it can reflect across the organization at worst and limit operational improvement at best. Identifying leadership gaps can make the difference between a fast, successful improvement plan and a slow, painful endeavor.
- General mentality can be one of **overconfidence in the status quo**, or a conviction in operations that doing things the way they've always done them is best. This is more common in the private world where home grown processes persist with little outside influence or fresh ideas. This not only stagnates improvement, but limits efficiency gains and ultimately ROI. There is a balance between experience and recognizing opportunities for improvement.
- **Operational Fundamentals and/or Operational Discipline are often not held to a level needed for real improvement.** In many cases, basic tools and processes such as daily operational reviews, visual management and KPI driven decisions are either nonexistent or not followed. With these things in place, improvements can be tracked and validated.
- **Capacity Planning isn't routinely reviewed and validated** with regards to performance requirements, specifically OEE metrics, and does not adequately understand logistics requirements. This leads to over evaluating capacity and missing chances to increase output.



SERAPH'S FOUR-PHASED APPROACH

VALUE CREATION

Beyond the assessment, Seraph leverages a four-phased approach to transform manufacturing operations. It implements a plan with clear deliverables, escalation, and goals to drive the project, enabling your management team to concentrate on effectively running your business.

1

UNDERSTAND

In-depth review of the situation, providing a roadmap that aligns KPIs for the project.

2

IMPLEMENT

Drive activity to implement and continue identifying performance improvement opportunities.

3

SUSTAIN

Test and refine processes to establish long-lasting, proven systems that maintain operational excellence beyond the Seraph project.

4

TRANSITION

Capture lessons learned and methodically hand off to client team.

Approach to Crisis Management & Turnaround

Seraph's approach to operational excellence identifies key areas for enhancement and implements sustainable solutions, increasing the capacity and capabilities of your systems and people.

1 - 4 WEEKS	2 - 12 WEEKS	12 - 21 WEEKS	22 - 24 WEEKS
UNDERSTAND	STABILIZE	SUSTAIN	TRANSITION
Understand <ul style="list-style-type: none"> • Rapid organizational assessment • Detailed capacity analysis • Evaluation of organizational structure, manning plan, and material tracking processes • Evaluation of production, logistics, and quality processes • Objective and work package alignment • Project charter, aligned with proposal • Seraph team location setup • SIPOC/high level process map • Management engagement grid 	<ul style="list-style-type: none"> • Implement key KPIs with clear visual management • Isolate and address key problems • Create a detailed recovery action plan and cadence • Secure on-time customer delivery • KPI and rematch process 	<ul style="list-style-type: none"> • OEE training & calculation • Convergence plan to target • Escalation/reaction process • Hourly throughput boards • Material trackers • Shift handoffs • Weekly report 	

Timing illustrative, dependent on client's unique situation

SERAPH'S FOUR-PHASED APPROACH

VALUE CREATION

Sustain

- Set management cadence and install key fundamental lean elements & tools
- Coach and develop client management team
- Focus on profitability improvement
- Establish leader standard work
- Current/future state map
- Daily management meetings
- Strategy deployment plan
- Lean leadership training and coaching
- Lean fundamentals/problem-solving

Transition

- Capture and communicate lessons learned
- Create and execute transition plan
- Celebrate achievements
- Hand off improvement program to client team
- Consistent improvements to targets are evident
- Review lessons learned
- Transition plan developed, audited, and completed
- Final report out
- Project completion follow-up

Identifying a potential crisis early is necessary for a successful business outcome.

STRATEGIES POSITIONING YOU FOR PROFITABILITY



Protect Your Reputation And Secure Customer Relationships



Quickly Reduce Costs Associated with Expedites



Clarify Your Organizational Structure with Clear Roles And Responsibilities



Eliminate Order Backlog



Stabilize High-risk Operations



Improve Overall Equipment Effectiveness (OEE) for Key Work Centers



Enact Improvement Initiatives To Guard Against Future Instability

PREVIOUS PROJECTS

Private Equity Manufacturing

Plant Consolidation And Product Line Transfers

Challenge: Creating an optimized footprint with Centers of Excellence to support efficient revenue growth for the filtration company which required plant consolidations and product line transfers.

Actions: Seraph's Move Methodology across 4 plants.

Results: Achieved \$4.7M in operational savings; Client sold and closed building assets for \$12.6M cash; Only 3-month payback

Project Roller Footprint Evaluation & Development Of Relocation Plan

Challenge: Optimizing a plant and distribution center within 100 miles of each other; Achieve a \$1M+ annual CAPEX reduction

Actions: Product families reviewed, identified and categorized SKUs; Rolled out Epicor ERP system at the plant; Plant-wide continuous improvement initiatives

Results: \$224K monthly savings; 9-month payback; Improvements were cash-flow positive, net of fees, for the final month of engagement.

Value Enhancement For Manufacturer Preparing For Sale

Challenge: Conduct an in-depth evaluation of the manufacturing footprint and develop an optimization plan to address excess capacity, high infrastructure costs, and low asset utilization. Assess the feasibility of closing two plants.

Actions: Collected data, reviewed layouts, identified 16 potential single-points of failure; Created detailed Management Plan

Results: Closed three under-utilized plants and seamlessly transferred production lines to other facilities; Achieved more than the forecasted \$10M in operational cost savings related to closures; Total project cost payback achieved < 18 months

Industry: Industrial Manufacturing

Business Operations Restructure

Challenge: 50+ year-old home-grown manufacturer suffered major inefficiencies across business units resulting in a slowed cash conversion cycle

Actions: Seraph mapped all intra company interactions, exposing duplication and inefficiencies

Results: Provided path to improved cash conversion cycle by days/weeks depending on product type/mix

CONTACT US

**Navigate your challenges and market with a tailored plan
— connect with our experts today.**

Partner with Seraph to develop strategic action plans, streamline operations, optimize assets, and accelerate portfolio company growth while maximizing investment returns.

Discover how Seraph's manufacturing expertise can be your strategic partner in optimizing operations, maximizing value, and driving profitable growth..

Visit our website for more information.
www.seraph.com



Learn more about Seraph's research, insights, projects and the companies that trust us to drive their success.

Follow us on LinkedIn to stay updated on how we're transforming industries.

www.linkedin.com/company/seraph-consulting-inc/

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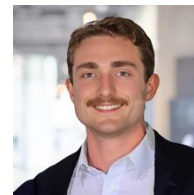
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