



INDUSTRIALS

Navigating Complex Market Challenges

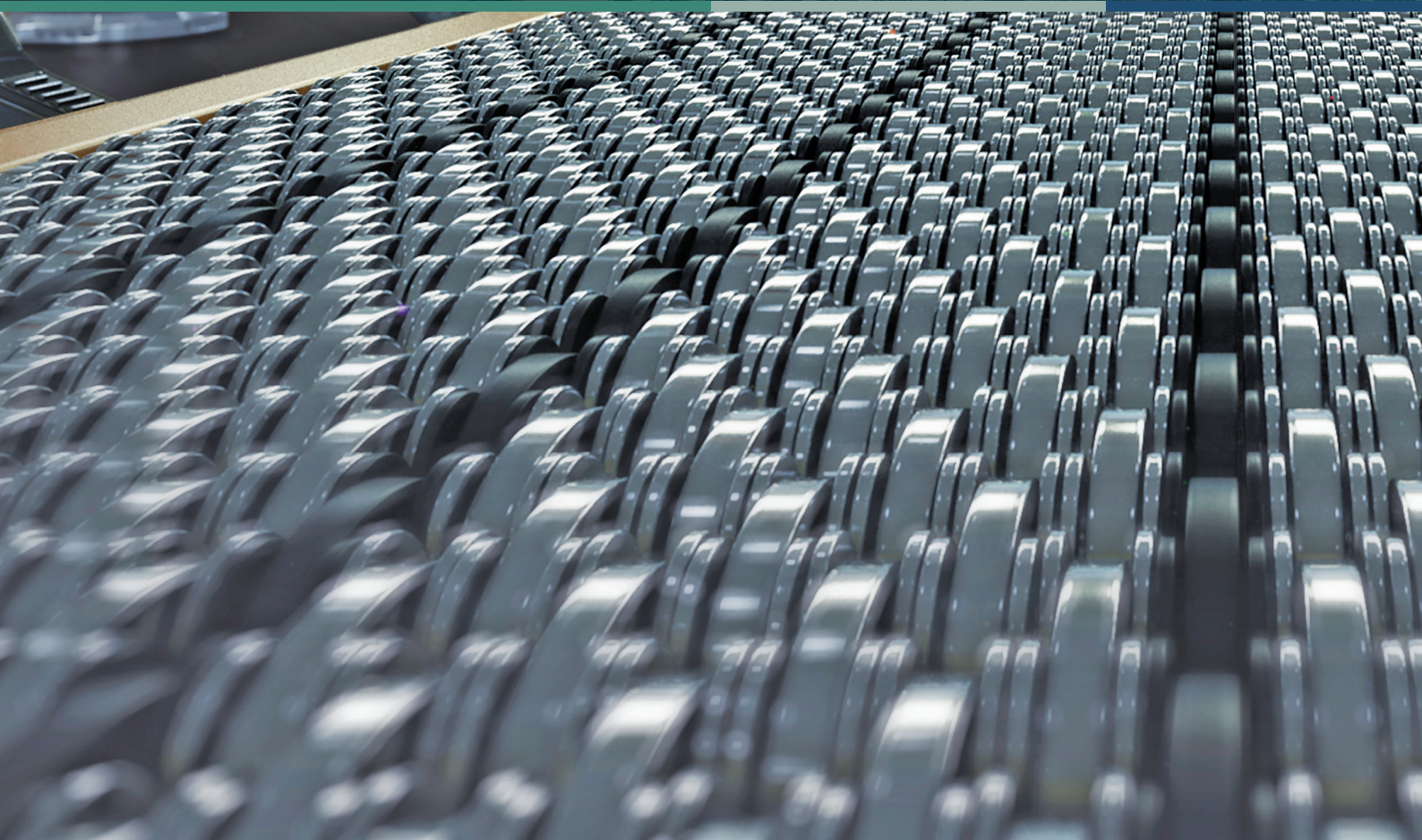
TO DRIVE RESULTS

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Companies operating in the industrials sector play an integral role creating products used in everyday life, yet they face a multitude of challenges that impact their operating models and earnings. Common issues include a shortage of staff with the requisite skills, increased regulation, foreign exchange, and geopolitical complexity which includes supply shocks related to military conflicts, tariffs, and scrutiny on ESG compliance.

To navigate this continuously evolving global landscape, management and boards must embrace new tools, leverage data to drive the most innovative insights, mitigate risks with compliance, and proactively manage scenario plans to adapt and compete. In short, they must change.



51%

of manufacturing executives said they were making **spending cuts in 2023 to free up resources** during tough times¹

79%

of manufacturing companies **do not have visibility into the inventory of key suppliers** in real-time or nearly real-time²

58%

of companies across industries say **sustainability is very important** to the organization's goals and objective³

~50%

of companies across industries say those who participate in **workforce planning have the skills needed** to perform their workforce planning roles⁴

72%

of manufacturing executives are investing in **workforce automation** and 58% in **artificial intelligence**¹

¹ Forbes [Survey](#)

² APQC: Supply Chain Planning Practices Report, Petroleum/Chemical Industry

³ APQC: Embedding sustainability into Strategy

⁴ APQC: Strategic Workforce Planning

COMMON PAIN POINTS

LABOR

Lack of resource availability with requisite skills, attrition

GEOPOLITICS

Sanctions (e.g., Russia & Ukraine), China uncertainty

SUPPLY CHAIN

Disruption, lack of measurement, just-in-time delivery

PLANNING

No confidence in strategic plans nor ability to scenario plan

FORECASTING

Unreliable with limited visibility or predictability

COMPLIANCE

Insufficient controls, risk mitigation plans are non-existent nor adaptive

ESG AND SUSTAINABILITY

Lack of reporting, difficult to measure and track progress

How We Support Industrial Companies

Continuous Portfolio Management

Acquisitions, divestitures, and joint ventures have long been instrumental in the “grow and shrink” mentality – driving inorganic growth and creating long-term value. This trend will continue as organizations strive to become more pure-play, streamlined, and focused on core priorities and offerings, while meeting changing sustainability mandates and customer expectations for “green” products. Joint ventures and divestitures will be prevalent as higher interest rates put more scrutiny on the cost of capital.

TRANSACTIONS/EVENT READINESS

Execute transactions (e.g., mergers, acquisitions, divestitures, carves) and events (e.g., IPOs) minimizing risk and maximizing return.

BUSINESS PROCESS INTEGRATION

Manage business and cross-function integrations, operational process transitions and TSAs.

MARGIN IMPROVEMENT

Perform profitability analysis (e.g., business unit, customer, region, segment) to monitor and manage performance; combine expertise of front-office with finance to drive decision-making, increase top line and reduce costs.

HOLISTIC EVENT-RELATED STAKEHOLDER COMMUNICATION

Align stakeholders and organization and develop clear and concise communication for all stakeholders.

High Fixed Costs & Rigid Operating Model

Industrial organizations are often capital intensive, have high operating leverage, and continuously operate to maximize asset utilization. Reliance on skilled labor adds to the complexity of multi-faceted operating strategies. These factors, combined with challenging labor conditions, impede the ability to adapt and flex as market conditions evolve. Labor strategies and operational agility can create competitive advantages while managing evolving dynamics and stakeholder demands.

ORGANIZATION DESIGN

Ensure the right people are in the right jobs; align roles and reporting structures with cost effective and flexible service delivery models.

FINANCE PERFORMANCE

Enhance operating model, optimize business partnering, and drive performance improvement initiatives to decrease overall cost of Finance.

SG&A MANAGEMENT

Perform top-down benchmarking and bottoms-up analytics to identify cost savings; leverage technology and pull strategic levers to drive value creation opportunities.

CULTURE RESILIENCE

Objectively assess where strengths and weaknesses live inside the current culture and adjust to retain the best talent before they exit, protecting overall corporate performance.

Persistent Raw Material Costs & Supply Chain Headwinds

Supply chain shocks from the pandemic, geopolitics, and unpredictable weather have impacted accessibility to key raw materials (e.g., crude oil, natural gas, semiconductors, seeds, etc.). Further disruptions to production schedules and inventory levels have led to increases in the costs of materials, logistics, and energy.

BALANCE SHEET EFFICIENCY

Focus on working capital and liquidity with dynamic financial models and scenario analyses; active cash management can minimize unnecessary leakage.

FP&A

Plan for the unexpected; increase forecasting efficiency and accuracy to improve financial management and eliminate surprises.

ECOSYSTEM STRATEGY

Faced with countless options for partnering across the supply chain, Ankura works with clients to keep an updated gameboard of potential counterparties in areas of strategic need.

Geopolitical Risks & Uncertainty

Geopolitics continue to influence how global organizations re-imagine their business models, leverage technology, mitigate risks, and scenario plan uncertainty. Ramifications to organization designs, labor, and operations are significant and disruptive.

GLOBAL POLITICAL, POLICY, AND MARKET INTELLIGENCE

Gain a global monitor for risks and opportunities through digital and human intelligence combined with a network of dozens of former ambassadors, senior government officials, and former corporate leaders.

INTERNATIONAL GROWTH STRATEGY

Execute a global growth strategy that engages and partners with governments to mitigate risk and maximize ROI on foreign investment.

Increasing Demands to Address ESG

The need to lessen carbon reliance and greenhouse gas emissions is becoming more and more urgent. Sustainability initiatives are frequently focused on enhancing process efficiency, increasing recycling, and incorporating renewable energy sources because of the dependence on carbon from natural gas or oil as the feed stock or energy-intensive processing procedures.

COMPLEX GOVERNANCE ISSUES

Establish strong governance framework, develop Board composition, determine key committee assignments and policies, conduct Board compensation benchmarking, and support diversity-focused initiatives.

REPORTING

Collaborate with clients to include Non-Operated Joint Ventures (NOJVs), in GHG metrics for ESG performance commitments.

LEVERAGING ESG FOR COMPETITIVE ADVANTAGE

Develop operational and programmatic strategies that leverage the ESG environment to develop your competitive advantage.

Case Studies | Includes professional experience from current and prior firms.

Working Capital Improvement

\$9B Global Distribution Company

A publicly traded distribution company was seeking assistance to improve its working capital management, particularly in collections. The organization was also managing a large-scale ERP migration and implementing a shared service model that was leading to significant internal subject matter expert attrition. The company also lacked the analytics needed to prioritize the issues and measure progress towards target DSO goals.

RETURN ON ANKURA

- Mitigation of risk across the finance organization
- Improved AR data integrity and visibility
- Improved cross-functional team engagement
- Increased collections efficiency from training
- Linked customer P&L and balance sheet
- Clearly documented roles and processes

Integration Planning and Roadmap

\$600M Packaging and Facilities Maintenance Company

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RETURN ON ANKURA

- Reduced implementation risk and increased speed of value delivery
- Integrated complementary best practices from each organization to support synergies
- Reduced duplication of efforts, increased efficiency, clarified roles and responsibilities, and established accountability
- Company continues to benefit from playbook developed for use in future acquisitions



Labor Transformation

Global Chemical and Paper Company

A global chemical and paper company with significant operations in the U.S. required rapid and sustainable changes to their labor strategies to improve hiring and retaining while also driving financial performance. Skill shortages and a range of union issues complicated their situation. The company required professionals with specific and deep expertise in this subvertical of manufacturing to quickly and objectively assess the situation, find solutions, make recommendations, and drive the change management to help all sides win.

RETURN ON ANKURA

- Gave workforce a proprietary and anonymous survey
- Analyzed business to better understand demand cycles
- Labor strategies and shift schedules were created to match business needs and employee preferences
- After management validation, union leaders from five separate unions were engaged to debate the details and negotiate
- All five unions passed the contract amendments on first votes
- New schedules went live 4 months after the project started and attrition dropped by 34% while throughput increased by 11%.

Transaction to Transformation

Aftermarket Parts Company

The private equity-owned company was in the midst of significant management transitions and faced liquidity constraints, an aggressive plan and budget for the upcoming year, and a nearly endless list of initiatives. There were limited corporate resources, disparate ERP systems across each business, and channel conflicts. The management team struggled to drive a coherent strategy and execution of operating plans across the businesses, and a lack of internal dashboarding tools and analytics capabilities was preventing the business from making informed decisions on pricing, inventory planning, and customer strategy.

RETURN ON ANKURA

- Survived multiple liquidity crises, ransomware attack and COVID business lockdowns
- Successfully refinanced its debt and saved over \$10M of corporate costs
- Executed a strategic unwind which enabled the sale of a business unit at an attractive price and carve-out readiness of the remaining businesses
- Drove each business unit to positive EBITDA with a significant growth trajectory over 50%

JV Oversight Optimization

\$10B+ Global Chemical Company

Leading global chemical company with significant revenue and earnings – and meaningful geopolitical, compliance, ESG, etc. risk – from a portfolio of dozens of non-operated joint ventures asked us to assess and improve its approach to JV oversight.

RETURN ON ANKURA

- Developed fact base on current JVs
- Designed new governance framework for managing non-operated JVs
- Planned and supported implementation of new JV portfolio management and governance approaches

About Ankura

Ankura is a global firm of experts and advisors uniquely built to tackle each challenge or need, by effectively combining the right expertise into solutions, services, and results.

We are a trusted advisor for companies, governments, law firms, and institutions around the world.

Ankura leverages highly specialized technical skills and industry expertise to solve complex and mission critical challenges for clients without the siloes and boundaries normally found in consulting firms.

Our collaborative culture brings together industry leading experts and technology-enabled solutions to solve highly complex and high-stakes issues for our clients.

**WE ARE A GLOBAL ADVISORY
FIRM COMMITTED TO HELPING
OUR CLIENTS PROTECT, CREATE,
AND RECOVER VALUE™.**

Ankura by the Numbers

27 Average Years of Experience
430 Senior Professionals
115 CPAs or Comparable
48 Certified Fraud Examiners
27 Geopolitical Experts
168 Masters in Business Administration

96 Law Degrees
26 Doctorate Degrees
16 Former Government Regulators
97 Cyber and Data Analytics Experts
105 Project Management Certifications
110 Construction and Real Estate Certifications



founded
in 2014



projects in
115 countries



35+ locations
worldwide

1,800+ EXPERTS AT ANKURA

44 LANGUAGES SPOKEN

40% OF OUR PEOPLE ARE WOMEN

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Ankura Consulting Group, LLC is an independent global expert services and advisory firm that delivers services and end-to-end solutions to help clients at critical inflection points related to conflict, crisis, performance, risk, strategy, and transformation. The Ankura team consists of more than 1,800 professionals serving 3,000+ clients across 55 countries who are leaders in their respective fields and areas of expertise. Collaborative Lateral Thinking That Delivers™, hard-earned experience, expertise, and multidisciplinary capabilities drive results and Ankura is unrivalled in its ability to assist clients to Protect, Create, and Recover Value™.

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