

# Foam Manufacturer: Corporate Strategy

Identified different participation and business model alternatives (near- and long-term) to help the business improve profitability in the short-term and maximize growth opportunities in the long-term

## Project Overview

### Client Context

- Foam bedding manufacturer looking to accelerate growth in order to drive a successful exit for its owners
- Profitability was highly variable across their portfolio, with 30% of sales generating 70+% of EBITDA
- Lacked line of sight into 1.) “true” economics across the portfolio, 2.) changing channel dynamics and the implications for the business and 3.) accessible market headroom across core and adjacent markets
- TRC helped the client to establish a strategic playbook to maximize value creation

### Approach

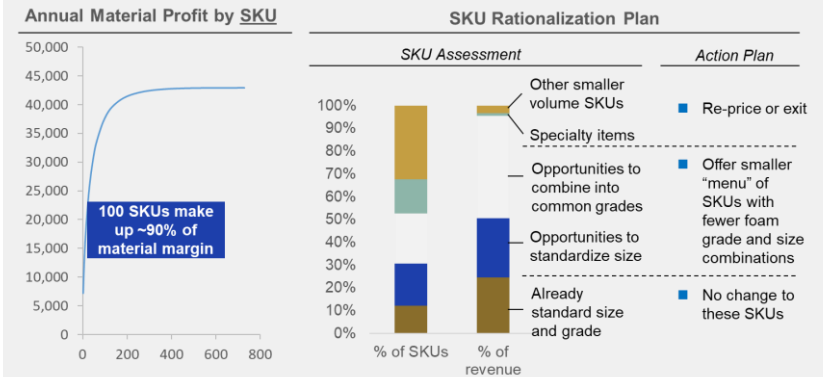
- Developed factbase that addressed three key areas:
  - Where is our headroom for profitable growth and what will it take to win in the Retail channel?
  - How do we improve profitability in Commercial?
  - Can we leverage our manufacturing capabilities to grow into adjacent markets and channels?
- Established participation and business model options
- Built alignment on the right corporate strategy and the corresponding activities

### Outcome

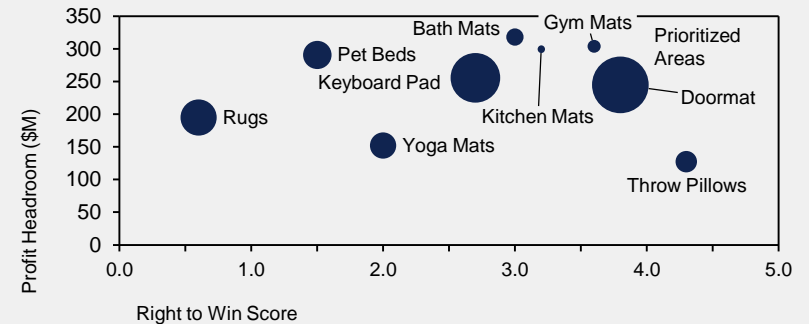
- Identified >\$30M in EBITDA over the next two years by ‘fixing what we have’, capturing share in attractive sub-segments and optimizing capacity to grow with market
- Won “best performing portfolio company” in PE portfolio in the 12 months following our engagement
- Eventual PE exit was highly accretive to investors

## Deliverable Examples

### SKU Rationalization Assessment



### Adjacent Market Assessment



Note: Full case studies available upon request  
Names & Numbers Modified to Maintain Confidentiality