

MEASURE · IMPROVE · REALIZE

Hawkins & Hayes

ESTABLISHING THE OPERATIONAL BASE LINE

CASE STUDY

CLIENT BACKGROUND

Founded 25 years ago, the client is a privately held industrial manufacturer serving Tier 1 OEMs in the Southeastern U.S. The firm had grown steadily but faced modern-era challenges: rising material costs, manual quoting variability, and increased production complexity. After leadership succession, the new management sought clarity: *Where exactly was performance slipping, and how much value was being lost?*

OUTCOMES AND DELIVERABLES

The Operational Baseline equipped leadership with the clarity to act decisively:

- **Unified "Single Source of Truth" Dashboard** integrating operational and financial KPIs.
- **Quantified efficiency gap**: $1.2M – $1.6M in recoverable margin.
- **Evidence-based narrative** for owners and investors — aligning leadership on next-stage priorities: process optimization, pricing discipline, and role accountability.

EXECUTIVE SUMMARY

A $38 million precision manufacturer, newly under second-generation leadership, was facing margin erosion despite strong demand. Hawkins & Hayes conducted a six-week engagement to establish a measurable *Operational Baseline* — transforming fragmented data into actionable insight. The resulting diagnostics uncovered over $1.5 million in recoverable margin and equipped leadership with a unified dashboard that became the foundation for subsequent value-creation initiatives.

THE CHALLENGE

Although performance reports suggested stability, underlying metrics told a different story.

- Margins were tightening year-over-year despite revenue growth.
- Operational data resided in disconnected spreadsheets, creating inconsistent reporting.
- Leadership lacked a single, trusted view of efficiency, cost drivers, and throughput.

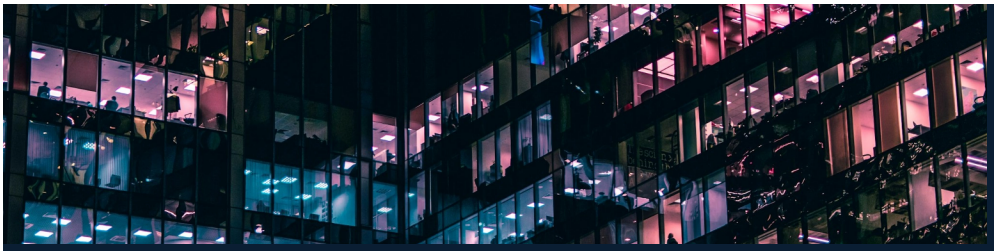
The owners needed a factual baseline to replace assumptions — a clear picture of *how the business actually performed* day to day.

HAWKINS AND HAYES APPROACH

The engagement goal was to quantify operational reality and create a foundation for improvement and valuation.

Our 6-week diagnostic process included:

- **Stakeholder Interviews:** 14 structured sessions across operations, finance, and sales to surface process realities and decision bottlenecks.



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WHY THE BASELINE MATTERS

Establishing an operational baseline does more than diagnose inefficiency — it anchors strategic clarity. For ownership teams preparing for growth, transition, or eventual exit, it defines "truth before change." By capturing how resources, processes, and leadership behaviors actually interact, Hawkins & Hayes creates a mirror that reflects both strength and vulnerability.

This perspective transforms abstract goals into measurable initiatives, aligns stakeholders around objective data, and turns improvement from guesswork into deliberate action. The baseline becomes not just a snapshot of performance, but the cornerstone of future enterprise value creation.

CLIENT REFLECTION

"For the first time, we could see the moving parts of our business in one place. It turned conversations from opinions into facts — and gave us a baseline to actually improve from."

HAWKINS AND HAYES APPROACH CONTINUED

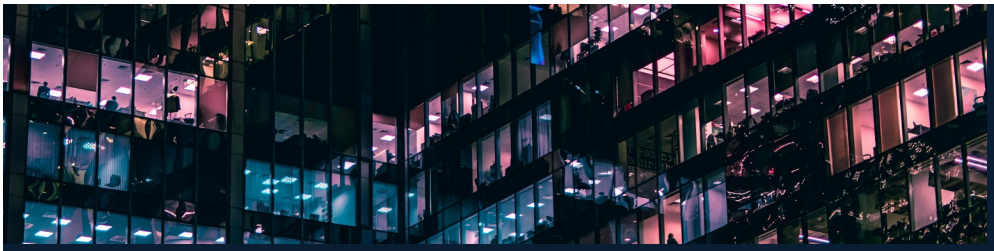
- **Data Review:** Five years of financial and production data analyzed for trends in margin, throughput, rework, and cost structures.
- **Performance Dashboards:** Implementation of lightweight data-capture tools within the existing ERP system to measure OEE, on-time delivery, and quote-to-order conversion in real time.
- **Benchmarking:** Comparison against industry medians and top-quartile performers to contextualize performance gaps.

KEY FINDINGS

Insight	Description	Outcome
Under-reported downtime	True average equipment utilization was 62%, not the reported 78%.	Production capacity loss equivalent to $700K annually.
Quoting Variability	±12% margin error across sales team due to inconsistent cost inputs.	Up to $350K margin leakage per year.
Excess WIP	Work-in-progress inventory doubled in two years.	$1.4 million of working capital tied up.
Overhead Creep	Indirect labor increased 9% relative to revenue.	Reduced net margin by ~2 points.

LEARNINGS & NEXT STEPS

This engagement demonstrated how even mature manufacturers can unlock hidden value by confronting data assumptions. Establishing an Operational Baseline doesn't only diagnose inefficiencies — it reframes leadership dialogue around measurable reality. The next phase ("Improve") will focus on system alignment, automation, and embedding capability and accountability across teams.



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TIMELINE & WORKING WITH HAWKINS & HAYES

WEEK

1-2 · Week 1–2 · Orientation & Alignment
We begin with clarity — defining objectives, stakeholders, and value metrics. A kick-off workshop establishes scope, data access, and cadence of communication.

3-6 · Week 3–6 · Discovery & Diagnostics
Our team maps current-state performance through data analysis, stakeholder interviews, and benchmark comparisons. Early findings highlight where value is created, lost, or hidden.

11-14 · Week 7–10 · Design & Recommendation
Insights become solutions. We develop targeted initiatives — operational, financial, and leadership — prioritized by impact and feasibility.

7-10 · Week 11–14 · Implementation & Enablement
Change is embedded, not imposed. We standardize workflows, train teams, and integrate dashboards for visibility and accountability.

15+ · Week 15+ · Realization & Ongoing Support
Once improvement is sustained, we help clients track enterprise value, communicate results to stakeholders, and prepare for strategic options such as growth, transition, or exit.

START THE CONVERSATION

Start the conversation to discover how Hawkins & Hayes helps business owners quantify, protect, and grow enterprise value — from baseline clarity to strategic realization.

Hawkins & Hayes

Transforming operational progress into measurable enterprise value.

A STRUCTURED PATH FROM INSIGHT TO ENTERPRISE VALUE

When clients engage Hawkins & Hayes, they experience a disciplined, transparent process built to convert performance improvement into measurable enterprise value. Every engagement follows a clear execution rhythm and a proven methodology — ensuring focus, alignment, and accountability from day one.

THE HAWKINS & HAYES METHODOLOGY

Measure → Improve → Realize

A continuous cycle designed to identify opportunity, build capability, and convert progress into long-term enterprise value.

Phase	Focus	Modules
MEASURE	Establish truth before change	Operational Baseline Data & Diagnostic Analysis Opportunity Identification
IMPROVE	Embed systems, structure, and scale	Process Optimization System Alignment & Automation Capability & Accountability
REALIZE	Convert progress into enterprise value	Sustain & Scale Value Tracking & Reporting Strategic Realization

OUR PRMOISE

Clarity — Independent insight revealing where and how value is created.

Discipline — Systems and structure that sustain performance beyond engagement.

Results — Tangible financial and organizational impact that enhances valuation readiness.