

A US leader in commercial products was looking to understand the capabilities of an emerging domestic competitor with foreign assets

The problem

(1 of 3)

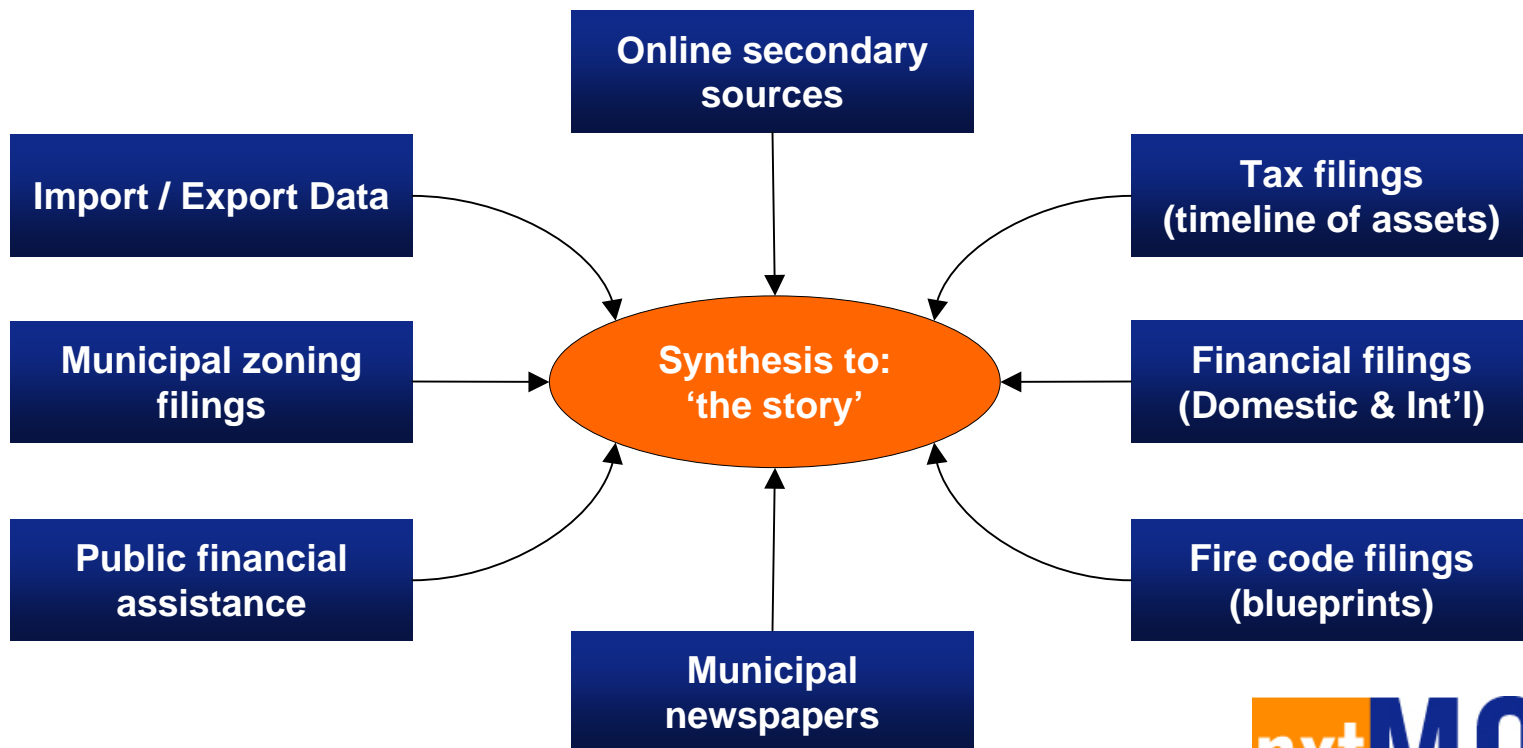
- **The client – a leader in the commercial products market – wanted a more thorough understanding of an emerging competitor.**
- **The client did not have a thorough understanding of the competitor’s position in the market, in particular:**
 - The domestic size and growth of the competitor
 - The importance of international sales or manufacturing operations
 - The company’s growth strategies – if any; or
 - The company’s management structure – especially as ‘changing of the guard’ seemed to be occurring
- **Ultimately, the client needed to understand (a) whether the competitor was a threat in its core markets and, if so (b) is it a solid investment target**

The 'site visit' methodology entails visits to municipal, state and / or federal offices in the location of a target company's core operations

The approach

(2 of 3)

- nxtMOVE consultants visit numerous types of offices that house publicly available data around a wide range of data types. The data is synthesized and analyzed by nxtMOVE in order to determine revenue size, profitability and manufacturing and sourcing strategies – depending on data availability.



nxtMOVE's synthesis provided a transparent and telling timeline of the competitor's size, growth, sourcing strategies and future outlook

The results

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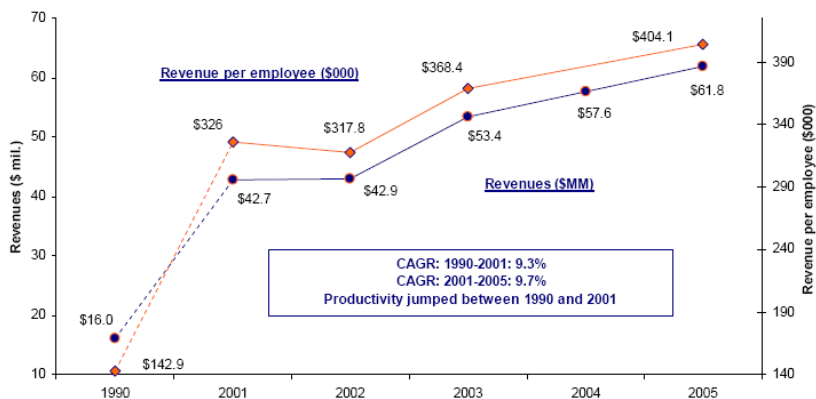
- ✓ nxtMOVE employed a number of different analyses to triangulate on:
 - The Company's size by location
 - Revenue per employee
 - Revenue per square foot
- ✓ In addition, nxtMOVE was able to determine – through a combination of top-down and bottom-up analyses – the global size of the Company
- ✓ By analyzing import / export data and warehouse diagrams, nxtMOVE was able to determine the Company's sourcing strategy

Metric	Company A Location C	Company A (U.S.)
Facility Area (sq. ft.)	58,000	63,780
Employees	51	65
Sq. ft. per employee	1,137	981
Revenues (2005)	\$20 million ¹	Area: \$22.0 million Headcount: \$25.5 million
Revenue per sq. ft.	\$345	\$345 ²
Revenues per employee	\$392,157	\$392,157 ²

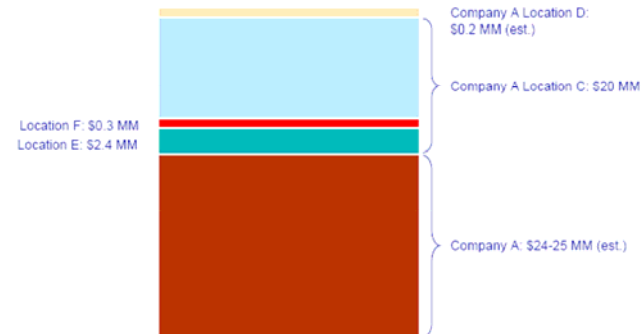
Cross-Check – PIERS Revenue Calculation

Top Down Assumptions: 1 shipping container = 4,800 lbs., Value per container = \$27,000-\$30,000, and 30 percent mark-up on goods for sale. Assumptions and Company A's total import weight for the first six months of 2006 suggest that Company A's annual US revenue is \$16-18 million for imported products.

Bottom Up Assumptions: nxtMOVE estimated the unit prices and volumes for most of the products listed in Company A's PIERS data and calculated Company A's annual US revenue to be at least \$18 million. The product descriptions restrict analysis to a revenue floor only.



Revenues (\$MM)



Year	1990	2001	2002	2003	2004	2005
Employees	112	131	135	145		153
Revenues/Employee (\$000)	\$142.9	\$326.0	\$317.8	\$368.4		\$404.1

