

## Lean Mergers & Acquisitions

**Lean** is a secret weapon that is not employed often enough in determining the true value potential in a targeted acquisition or merger. By assessing the actual labor and flow that is possible post-integration, the buying firm can adjust the price paid commensurate to the actual benefits that could be realized.

During his tenure with DJO Global, Inc., Jerry M. Wright worked with senior leadership of the company to assess and then transform the acquired or merged businesses post acquisition. Below are a list of a dozen lean mergers and acquisitions fully transformed. Using this model, DJO Global grew from \$115 million in 2001 to \$1.2 billion in revenue by 2013.

### Lean Manufacturing Business Conversions (from batch to lean via acquisition):

- 2013, Dr. Comfort Lab, \$25 million sales, entire value stream, custom orthotics
- 2013, EXOS Medical, \$25 million sales, entire value stream, splints
- 2012, ETI/Asheboro, \$42 million sales, entire value stream, compression garments
- 2012, Encore Medical/DJO Surgical, \$94 million sales, entire business, surgical implants
- 2011, Empi/Recovery Sciences, \$230 million sales, entire business, electromedical devices
- 2010, Chattanooga, 450 products, \$82 million sales, entire business, tables and electronics
- 2009, Axmed/FTO, 560 products, \$74 million sales, entire business, sewn products
- 2006, Aircast, LLC, 30 products, \$300 million sales, entire value stream, DVT and Cold Therapy
- 2005, Encore Medical, 211 products, \$15 million sales, entire value stream, orthopedic goods
- 2004, Orthologic Corp., 12 products, \$45 million sales, entire manufacturing value stream
- 2002, Futura Biomedical, 62 products, \$2 million sales, entire value stream, surgical instruments
- 2000, DePuy OrthoTech, 1,200 products, \$55 million sales, entire value stream, orthopedics

Mr. Wright presented to the 2008 AME Lean Congress on **Lean Mergers and Acquisitions** to over 200 attendees. He has also helped several small businesses assess and ultimately implement lean acquisitions and mergers. If you would like to learn more about lean M&A for your company, contact us at 760-802-7957 or email [jerry.wright@san.rr.com](mailto:jerry.wright@san.rr.com).