

AMERICAN INDUSTRIAL PARTNERS – ACPI

NEW PRODUCT AND FACILITY LAUNCH

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ACPI is a United States-based manufacturer and distributor of kitchen and bath cabinets, with annual revenues around \$300M. The company was acquired in 2012 by American Industrial Partners, an operationally oriented middle market private equity firm. As a result, ACPI grew rapidly, focusing on expanding both its market share and manufacturing footprint.

In April 2016, acpi purchased a new manufacturing facility in Mount Union, PA, in order to serve as the home of a new frameless brand of cabinetry called Serenade Cabinetry and to assist production of existing brands in a nearby facility in Thompsontown, PA. This purchase was integral to capturing a new higher-end segment of the cabinet market and in creating capacity to support demand growth of existing brands. As a result of this purchase the Tauber team was challenged to develop a robust launch strategy for the Serenade Cabinetry brand and to launch key manufacturing lines at Mount Union to support the Thompsontown plant.

For the Serenade Cabinetry product launch strategy, the team developed a detailed competitive analysis with future product recommendations, a value-based pricing model, and a prioritized list of target customer dealers. To support manufacturing, the team transferred a slab door manufacturing process from Thompsontown to Mount Union, including process improvement measures. Finally, the team created a raw goods inventory replenishment model to assist with existing production and to support the manufacturing of Serenade Cabinetry.

Based on the territory and dealer analysis conducted by the team, the expected annual revenue of the product is estimated to be at \$7M in 2018 with 240 dealers on board. The launch of the slab door process resulted in an additional \$4M in annual revenue from freed capacity at the Thompsontown plant, coupled with a 58% reduction in lead time. Finally, the replenishment model set the stage to manage plant inventory worth \$1M and rapidly growing.