

Hiller Associates Profile

Headquarters: Arlington, MA, USA

Examples Profiles of HA

Consulting Partners

- \$18 million Supply Chain Management Consultancy
- \$20 million Product Design Consultancy
- \$32 million Business Performance Consultancy
- \$200 million Strategy, Finance, and Product Development Consultancy

Typical End Client Profile,

Product Cost Management :

- \$100 million+ revenue
- Manufacturing companies
- \$10 Million+ revenue
- Commercial & Enterprise Software

Focused Practice Areas of Hiller Associates

- [Product Cost Management](#)
- Product Management and Inbound Marketing
- Financial Modeling and Analysis
- Go-to-marketing Strategy and Communication
- Start-up General Management
- Business Plan Development and Funding
- Cost Modeling

Hiller Associates specializes in Product Cost Management – working in the nexus between engineering, finance, purchasing, and manufacturing. We can put our domain knowledge to work for your client and for your firm's growth.



Who are you missing to complete the perfect ensemble?

It's a big world, getting closer through technology every day, and yet, more complex in the expertise you must bring to help your end client succeed. Consulting has always been a field that is amiable to partnering, but today, even the largest consulting firms often do not have the in-house resources to meet every specific end client need. Hiller Associates can help.

What is covered in this document

- 1 The benefits of Partnering with Hiller Associates
- 2 Five examples showing how HA worked with a partner

Hiller Associates and Partnering

HA regularly partners with other consulting firms, software companies, and others firms to provide the best solution to end customers. Partnering takes the form of both sales and delivery relationships. In addition, HA also will often help specify and/or re-sell software tools that enable the processes HA creates to solve client problems. This is especially common in our Product Cost Management engagements. Conversely, HA also reaches out to its consulting partners whenever an engagement is beyond HA's core competencies and resources.

The Benefits of Partnering with Hiller Associates

Most consultants are not only very intelligent people, but also very versatile, so why should your firm work with Hiller Associates rather than learning to deliver HA's focus areas in the engagement yourself?

- **Product Cost Management Focus** – Admit it, you have told your clients to focus on their core competencies before, right? Sometimes engagements are not cleanly within your core competencies. Trying to deliver services beyond your expertise is risky and can damage the customer trust you have worked hard to build. If you have a need for added depth in product cost, financial analysis, product management, or entrepreneurial management, HA can help.
- **Resource Constraints** – Perhaps you do have deep expertise in the some of the areas that HA does, but no one on your team is free for that important and urgent engagement. HA can deliver on your team until you have the resources.

Typical Product Cost Management Engagements

- **Cultural Change**
- **Process creation / improvement**
- **Team recruiting / training**
- **Software selection**
- Target Costing
- System / Concept Costing
- Design-to-Cost
- Feature Based Costing
- Design for Manufacturing and Assembly
- Roll-ups and Tracking
- Should-Cost & Negotiation Support
- Spend Analytics
- Commodities Management
- Financial statement analysis
- Historical trending
- Cost Modeling
- Value Engineering/Analysis
- Process Re-routing
- Make/Buy and Re-sourcing

Sample End Client Industries

- Industrial Equipment
- Automotive
- Defense Vehicles
- Food & Beverage
- High Tech

- **Turnkey Speed and Versatility** – HA comes onboard your team and begin delivering quickly. We are versatile enough to bridge any gaps that exist.
- **Street Credibility** – HA is a recognized authority in its areas of expertise, especially [Product Cost Management](#). Most of our resources have had direct operational experience in our areas of expertise, in addition to our consulting experience. We often publish in these areas.
- **Success and Repeat Partnering** – The most important reason to partner with us is that HA has been successful in solving the end client's problems, helping to build our partners' brands, and helping our partners secure repeat business. Because of this, we often work with our partners on a repeat basis.

Five Example Engagements* in which Consulting Firms Partnered with HA

* Many of these engagement vignettes also have full case studies. (see the Hiller Associates website)

End client sees the benefit of a modular product on their value stream. Consulting partner proves its strategic abilities to the client.

Client Need: The small equipment division of a construction equipment manufacturer wanted to construct pro-forma financials to view their whole supply chain as a series of independent companies. Using this virtual supply chain, the client needed to estimate the profit impact of (1) acquiring parts of the supply chain and (2) re-designing their product to be more modular.

HA Role: HA provided the onsite resource who acted as the engagement manager and led a small team of partner consultants.

Results: The end client learned they could improve total value chain profit by \$46 million dollars a year, including \$11.4M annually from the parts of the chain they currently owned. HA's consulting partner was able to prove to the client that it was capable of moving beyond tactical supply chain investigations to strategic financial analysis.



Client learns the potential reward AND risk from outsourcing. Consulting partner proves its abilities to a new client.

Client Need: The president of an artificial and natural sweetener company had aggressive goals for increasing free cash flow (and company valuation) given to him by his private equity board of directors. He had to evaluate if he could meet his financial goals by outsourcing all the his firm's manufacturing worldwide to contractors, without taking unacceptable risk.

HA Role: HA managed one of the consulting partner's two teams in this engagement. HA led the team in designing and using a financial model to evaluate the client's current state and the potential outsourcing effects. HA also helped direct



Example Engagements* of Consulting Firms Partnering with Hiller Associates

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the other partner team on what data they needed to acquire to feed the model. In addition, HA represented the partner to the end client's CFO.

Results: The model constructed by the partner and HA showed the outsourcing plan would meet the client's financial goals, but that it had substantial risk. HA and the partner were able to give the client's President confidence to pursue other alternatives with less risk. The benefit beyond incremental revenue to the consulting partner was that it was able to successfully deliver its first strategic level engagement to a large new client.

Client saves millions in a Large Business Transformation Initiative. Consulting partner helps its largest client with Product Cost Management.

Client Need: The small equipment division of a major industrial equipment company was in danger of being sold unless it could permanently improve its business and its relationship with suppliers. The end client undertook a large business transformation with HA's consulting partner, including supply chain, pricing/cost, and business relationship considerations.



HA Role: HA provided a high level resource to lead the Pricing / Costing team, which included two partner consultants and three six-sigma black belt client resources. This team's charge was to evaluate 21 suppliers and to construct should-cost models that would identify areas of savings for the end client.

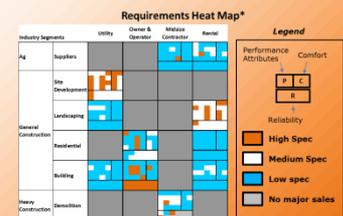
Results: The HA Pricing/Cost team identified \$6.7 million dollars of new profit for the end client in 4 months. The client division that was on probation became a very profitable unit over the next year. The consulting partner did not have in-house expertise in Product Cost Management, but with HA's help they were able to successfully deliver a very large and strategic consulting engagement for their biggest customer.

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Client sees the benefit of customer segmentation and modular re-design. Consulting partner is able to turn around an at-risk engagement.

Client Need: A long term consulting partner of HA, "PartnerCo," had introduced another partner "ModularCo" to help an end client. The client product line manager owned the most complex product line in his company. He needed to segment the market, define requirements, and re-design in a modular way. ModularCo was an experienced European expert, with a precise and pedantic



* Actual requirements evaluation changed to protect client confidentiality

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approach, but the client was an American firm with a large sense of urgency. There were only four weeks left before ModularCo and the client had a review in front of client's group-vice president and six vice-presidents on the results of the project.

HA Role: PartnerCo asked HA to resolve the situation successfully. HA helped ModularCo collect and filter the impressive client research ModularCo had already done. HA also completed a fast project working with the end client's marketing team. This resulted in defining the segments for the client's product. HA created the presentation for the client executives, making the very complex data set and its implications clear to the audience.

Results: By realigning the client's designs with its end customers' requirements in the most important segments, there was great opportunity. On the four most common product models alone, this would result in \$44 million of added annual revenue and \$4.6 million of increased annual profit. PartnerCo's reputation as a trusted, long time adviser to the end client was preserved, and ModularCo was able to continue pursuing business at the end client.

Joint Venture Strategy and Improvement

Client Need: HA's partner asked HA to help in a project examining a joint venture (JV) between two partners, "TractorCo" (an OEM) and "Electco" (an supplier of hardened electronics). Both parents had started to question the value they derived from the JV. The parents and the president of the JV asked HA and its consulting partner to help them choose one of three options for the JV:

1. **Close the JV** – making TractorCo the designer and ElectCo a direct supplier
2. **Maintain** some business with the JV, but look for alternative suppliers
3. **Significantly improve** the JV results for parents, and grow the JV

HA Role: This project included a full strategic and operational assessment of the JV's business. Hiller Associates led the pricing/product cost and the operations strategy areas of the engagement. HA determined that the JV's problems were a combination of both misperceptions about the JV product's true costs, and operational strategy challenges. HA showed that the JV was a far more competitive supplier than TractorCo thought. Moreover, HA found that if the JV increased inventory only slightly, it could reduce total production cost by 16.9%.

Results: Hiller Associates and its consulting partner had helped the JV find savings high enough that it could immediately offer to reduce prices to TractorCo by \$1.1 million, with a line of sight to another \$7.2 million annual savings. More importantly, HA had changed both TractorCo's and ElectCo's view of their JV. TractoCo and ElectCo chose the third option discussed above: "Significantly improve the results for TractorCo, ElectCo, and grow the JV."

