

Alderman & Company Consulting

Management Consulting Practice



Consultants to the Aerospace and Defense Industry

*Alderman & Company Consulting, LLC, is a boutique consulting firm
focused exclusively on the aerospace and defense industries.*

Services

Alderman & Company Consulting, LLC, is a boutique consulting firm exclusively serving the aerospace and defense industry.

Alderman & Company Consulting, LLC, offers a broad range of strategic business consulting services based on a holistic business approach. Our work generally begins with an in-depth business assessment encompassing the full range of business functions, from executive management to operational execution. The output of the business assessment is a prioritized action plan prepared specifically for the client, designed to address specific concerns with the overall goal of improving total business function. Typical action plans may include a cost reduction plan, a revenue enhancement plan, contractual renegotiation, best practices implementation, altered procurement strategy, and metrics implementation to improve organizational accountability. Alderman & Company Consulting's staff is also available to implement the recommended action plan, as well as to provide short-term interim business management for those circumstances that require immediate leadership change.

Specifically, our services include the following:

- Operational restructurings
- Strategic and business planning
- Long-term strategy development
- Corporate governance assessment and design
- Business evaluation
- Market studies and marketing guidance
- Financial analysis, modeling and forecasting
- Competitive assessments
- Threat and opportunity analysis
- Technological and regulatory trend assessment

Leadership



Each of the firm's engagements is led by the firm's founder and President, William H. Alderman.

William H. Alderman

Mr. Alderman is the founder and President of Alderman & Company Consulting, LLC. During his 20-year career in the aerospace industry, he has completed more than \$1 billion in restructuring, reorganizations, mergers, acquisitions, and related activities. Mr. Alderman started his career at Bankers Trust Company and has held senior positions at GE Capital, Aviation Sales Company, and most recently as Managing Director of the aviation practice of Fieldstone.

In the past he has served on the Board of the HM Bullard Company, and he currently serves on the boards of Breeze-Eastern Corporation (NYSE AMEX: BZC) and TeamStaff (NASD: TSTF). A graduate of the J. L. Kellogg Graduate School of Management and Kenyon College, Mr. Alderman has been an FAA-licensed pilot since 1983, a member of the Wings Club of New York since 1992, and frequently speaks at aerospace industry conferences in the United States and abroad. He has been quoted as an industry expert by Bloomberg TV, CBS Marketwatch, *USA Today*, *The Chicago Tribune*, *The Los Angeles Times*, and *The Washington Post*. Mr. Alderman, age 48, resides in Ridgefield, Connecticut.



Objectivity

Clarity

Client Success

Clients

Aero Maintenance Group

Aerotron AirPower

AGC Incorporated

Birken Manufacturing

College Airways

Commuter Air Technology

Electrol Manufacturing Co.

Esco Corporation

Goodrich Corporation

General Mechatronics

Jetpower

Kinetic Systems

Monitor Aerospace, Inc.

Phyre Technologies

Safire Aircraft

Sandair

Stellex Aerostructures

TIMCO

Turbine Controls

Universal Aerospace

Zygo Corporation

Process

Our work is managed through a rigorous three-step process to study the current status of the client's business, identify areas for improvement, and make specific recommendations, as summarized below.

STEP 1: SITUATIONAL ANALYSIS

We usually start our work with a detailed situational analysis and a bottoms-up analysis of all aspects of the client's business. The analysis is accomplished by on-site Alderman personnel who interview members of the organization, review available financial and management reports, and participate in day-to-day activities to gain an in-depth knowledge of the "as-is" condition of the company.

Our on-site analyses typically cover the following areas:

- Operations (shop floor, warehouse, service centers, etc.)
- Quality systems
- Metrics/improvement programs
- Competitive advantages
- Contract review and analysis
- Backlog
- Nature of the contracts
- Customers
- Programs
- Engineering systems/methodology
- Information systems (MRP, inventory, planning, production control)
- Plant and facilities, including environmental controls and related issues
- Procurement and outsourcing methodology
- Management structure and evaluation
- Human resources, including:
 - Benefits and insurance
 - Salary and pay policies
 - Overtime policies
 - Employee turnover

Process

STEP 2: REVIEW, DATA ANALYSIS AND PLAN DEVELOPMENT

During the second phase of our work, we analyze the available data to gain a comprehensive understanding of the issues and opportunities at hand. A substantial majority of the time spent on each engagement is done in our offices analyzing and reviewing the data that we collected during our on-site visit. From the data, we identify, prioritize, and evaluate the risks and opportunities facing our client and develop a detailed action plan that will achieve our client's goal.

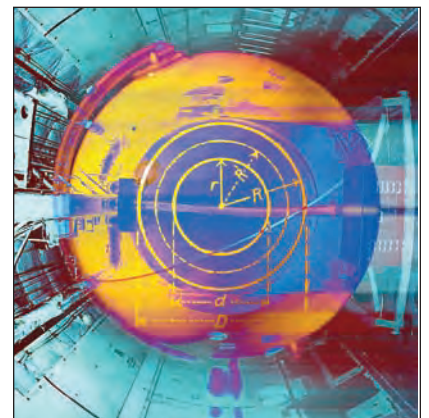
STEP 3: RECOMMENDATIONS

Based on the work accomplished in the Review, Data Analysis and Plan Development phase, we then present to our client a detailed plan of action for consideration. We structure our recommendations to be specific, detailed, and achievable. Depending on the nature of the client's needs and the design of the engagement, we can tailor our recommendations to be immediate, interim or long-term in nature. As may be requested by the client, we can include specific implementation plans, and we can aid in the design of follow-through metrics and accountability programs to foster the successful implementation of our recommendations. Depending on the situation and the needs of the client, we can also provide interim management to implement our recommendations.

Selected Achievements of Alderman & Company Consulting

Case Study 1

A \$20 million annual revenue private aerospace company was unprofitable, losing market share, and having severe cash flow problems. We conducted a business assessment, developed a list of key priorities, and implemented an improvement program involving contractual restructuring and internal operations. As a result of our work, the company quickly returned to profitability and again began to generate significant free cash flow.



Case Studies

Case Study 2

A \$1 billion annual revenue public company engaged us to aid them in the integration of a \$30-million acquisition. We designed and implemented a comprehensive plan that included the consolidation of facilities and personnel. We were on-site during the integration and drove much of the process on a real-time basis. Within four months of the acquisition, the businesses had been consolidated, a new management team put in place, and over \$3 million in annualized cost reductions had been achieved, exceeding the client's expectations by two years.



Case Study 3

A New York-based \$15 million annual revenue aerospace manufacturing company was unprofitable, had negative cash flow, and was losing customers. We were hired to turn the company around and position it for sale. We developed and implemented a business restructuring program such that in three years the company had regained profitability and was successfully sold to a multibillion dollar public company at a multiple in excess of seven times EBITDA.

Case Study 4

A New York-based \$40 million annual revenue aerospace manufacturing company was experiencing severe profitability and cash flow problems and the company's lenders were putting pressure on the company's owners to dispose of the company through a distressed sale. We implemented a complete turnaround of the business by replacing the leadership, changing the internal culture, and broadening the customer base. As a result of our work, the company was restored to financial health and later sold to private equity investors at a price in excess of eight times EBITDA.

Fees and Terms

Pricing

Alderman & Company Consulting's fees are typically charged on an hourly basis. Our hourly fees are as follows:

Senior Consultants:	\$300.00
Junior Consultants:	\$175.00
Admin Staff:	\$60.00

Expenses

The client is responsible for prior approved expenses, including, but not limited to, travel and lodging.

Client Obligations

The client is responsible for providing Alderman & Company Consulting, LLC, with sufficient access to company's management, operations, records, and qualified accounting and legal professionals, as deemed necessary.

Alderman & Company Consulting

CONSULTANTS TO THE AEROSPACE & DEFENSE INDUSTRY

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