MEADEN & MOORE

CLIENT SUCCESS STORY:

Evaluating Manufacturing Operations: Production Relocation and Financial Impact

Client: Manufacturing Client | Industry: Manufacturing

BACKGROUND:

A global manufacturing company with multiple facilities faced a critical operational disruption. Leadership needed to determine whether to relocate production equipment to an alternate facility or temporarily cease production. Moving the equipment involved an astronomical cost, and decision-makers were apprehensive about spending large sums without clear insight into potential financial benefits.

The company also faced complex insurance involvement, as the initial coverage layers had been exhausted, and our engagement came after prior measurements and assessments had been completed by other parties. This created nuances that required careful evaluation of operational, financial, and risk factors across multiple sites.

OBJECTIVE

Our team was retained to provide an objective financial assessment of the situation, evaluating the costs, risks, and potential lost revenue associated with relocating production equipment versus remaining offline. The goal was to provide clear, data-driven insights to enable leadership to make an informed, strategic decision that balanced operational continuity and financial prudence.

AT A GLANCE

Challenges:

- High-cost production relocation decisions.
- Multi-facility operational complexity.
- Leadership apprehension over financial risk.
- Insurance nuances and prior assessments.

Benefits:

- Data-driven insights for confident decisions.
- Cost-effective solutions to maintain production.
- Clear analysis balancing operations and finances.
- Cross-office collaboration for expert perspective.

THE CHALLENGE:

The client faced a critical operational decision: whether to move production to alternate facilities or remain at the original site with halted output.

Key challenges included:

- The astronomical cost of relocating production equipment, making leadership hesitant to proceed.
- Evaluating potential revenue and production output if operations continued at alternate facilities versus zero production at the original site.
- Analyzing operational data across multiple global facilities with different production capabilities.
- Navigating insurance complexities, as prior coverage layers had been exhausted and other parties had performed initial assessments.

OUR APPROACH:

1. Data Collection and Review

- Gathered financial, operational, and production data from all affected facilities.
- Reviewed historical performance, equipment capabilities, and relocation costs.
- Assessed potential operational constraints and risks at alternate production sites.

2. Cost-Benefit and Operational Analysis

- Modeled multiple scenarios comparing production at alternate facilities versus remaining offline.
- Quantified financial impacts of partial production versus full downtime.
- Determined that relocating equipment, despite high upfront costs, would preserve production and reduce overall financial loss.

3. Cross-Office Collaboration

- Leveraged expertise from multiple Meaden & Moore offices to provide a robust, objective analysis.
- Incorporated diverse perspectives on operational efficiency, financial modeling, and risk assessment.

4. Objective Reporting and Recommendations

- Delivered a clear, data-driven report outlining financial and operational trade-offs.
- Provided actionable insights to support strategic decision-making and optimize production continuity.

THE OUTCOME:

Meaden & Moore's independent analysis enabled the client to make a confident, informed decision to relocate production equipment and continue operations. By quantifying costs and benefits, the team provided leadership with clarity on the financial and operational implications, mitigating risk, maintaining revenue continuity, and optimizing production efficiency.

RESULTS

- Provided a clear, data-driven financial assessment, enabling leadership to make an informed decision on relocating production equipment.
- Demonstrated that moving the equipment, despite high costs, was more financially advantageous than zero production, preserving revenue and operational continuity.
- Offered objective insights that helped the client weigh trade-offs, mitigate risk, and optimize production across multiple global facilities.
- Reinforced Meaden & Moore's ability to manage complex, multi-facility operational and financial challenges with precision and clarity.

KEY TAKEAWAYS

This case demonstrates Meaden & Moore's dedication to delivering objective, reliable financial analyses in complex operational and strategic decisions. By thoroughly evaluating relocation scenarios and quantifying potential production and revenue impacts, the team provided leadership with actionable insights that supported confident decision-making. The engagement highlights the firm's expertise in forensic accounting, operational risk assessment, and multi-facility analysis, showing how data-driven guidance can optimize outcomes and mitigate uncertainty in high-stakes situations

EXPERT PERSPECTIVE: NICHOLAS HUML ON OBJECTIVE FINANCIAL ANALYSIS FOR STRATEGIC DECISIONS

"As a professional who evaluates financial information and assesses impacts on a daily basis, I understand the critical role our work plays in helping clients navigate complex operational decisions.

Client service is at the core of everything we do—it's not just about providing accurate financial analysis, but understanding the client's goals and delivering actionable insights at every stage. In cases like this, our objective analysis allowed leadership to move production equipment confidently, avoid zero output, and make strategic decisions based on clear, reliable data."

AUTHOR

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"We work closely with our clients to understand their operations and goals, delivering insights that are accurate, actionable, and aligned with their strategic priorities. By combining technical expertise with clear communication, we help clients navigate challenging decisions with confidence."

— Nick Huml, CPA