

January 27, 2009

Confidential Retained Search Assignment—S#979

Position: EXECUTIVE VICE PRESIDENT FINANCE

Client: Massachusetts based profitable, growing & expanding commercial bakery.

Company Background:

This private equity owned commercial bakery (\$20M in sales) produces a variety of branded and private label sweet dessert products on a 24 hr., 7 day a week basis. The Company is a leading provider of fresh and frozen éclairs and also manufactures specialty cookies, including Madeleine butter cakes and black and white cookies, various roll cakes, and other products. Company focuses predominantly on the retail supermarket, club store, and convenience store marketplaces. The Company maintains an approx. 35k sq. ft., wet micro sensitive production facility, which has performed in the Superior AIB category for a long time with consistent, excellent ratings over 900. The Company has purchased the rights to a building across the street from its existing facility and just completed a multi- million dollar 20k sq. ft. expansion in that building which gives the company a third manufacturing line with the latest food manufacturing technology. This same building has an additional 24k sq ft. available as well as add-on expansion potential affording the company the ability to further enlarge there for either freezer space or manufacturing as the company continues to grow. Company employs approx. 120 employees, a mix of full-time and temporary personnel. This commercial bakery (\$20M in sales) is located close to intersection of Rte 90 Mass Pike and CT I-84 and is also commutable from Providence RI, Hartford, CT, Worcester, MA and portions of MA Rte 128.

Opportunity:

Company has had a long, successful, profitable history in the baking industry and this commercial bakery is eager to take the next step in its development. A well-known Boston private equity firm, acquired the company in 2003 and over the last five years, has watched the business achieve a significant amount of growth and profitability. Early last year, the company realized that it was quickly approaching its maximum production capacity at its facility in its existing configuration. At the same time, the Company was pursuing a number of specific growth initiatives. In order to fully capitalize on these opportunities, both the company and private equity firm realized they had to invest a significant amount of capital and resources in expanding the commercial bakery's production capacity. The Company was fortunate to find available space in a building directly across the street. The last remaining pieces of equipment are scheduled to be delivered this month and production will begin in February 2009.

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Executive VP Finance Position Summary

The EVPF position represents the opportunity as an equity participant to join a thriving business that is rapidly expanding. The EVPF will be a key member of the company's senior management team led by its President, an experienced executive with 20 +years expertise in sales and marketing. The EVPF reports directly to the President with a dotted line to the Chairman of the private equity firm and will directly oversee two clerks and the Purchasing Manager but additional hires and/or transfers will likely occur over time. However, this is a hands on role and not a role to build an empire. The EVPF's staff will remain lean and this individual will have to work and not simply manage.

Over the last several years, the company's President has done a phenomenal job of growing this commercial bakery's top-line by developing strong relationships with its customers and cultivating new sales programs. The challenge facing the company is that this swift revenue acceleration has begun to push the limits of the operation, because the business functions with predominantly manual systems and a thin management staff that were adequate when operations were smaller. Last summer, the Company upgraded its management depth by bringing in a new VP of Operations, who has been instrumental in overseeing the plant expansion.

Now that the facility has been built and the new sales programs have begun, the company needs the EVPF position to oversee and install the systems and processes necessary for the business to continue to handle its double- digit sales growth. The EVPF will be the company's "go to" person in the President's absence between the President, the private equity firm chairman & the VP Operations. The opportunity here is to take a successful, profitable \$ 20 M company and create a \$30 M enterprise over the next 3 years. Success is within grasp as long as the Company can execute.

Objectives of the EVPF Position:

Manage the financial, accounting, IT & HR functions of the business using an analytical and detail oriented approach. Work closely with VP Operations & President on budgeting & forecasts, product costing analyses, cost reduction initiatives, systems implementation, and tracking other key metrics

Organize the company's information and data in order to allow management to make more informed decisions on a timely basis.

Drive efficiency improvements from the operation by identifying the key profit driving metrics, developing the systems to track these metrics, and motivating management and plant employees to improve performance.

Develop clear, concise, dynamic reports to evaluate the performance of the business and use these reports to hold management accountable.

Provide senior management visibility into profitability by product on a real-time basis and educate management on the effects of operating decisions on profitability.

Overhaul purchasing and inventory management functions of the company. Develop dynamic systems to monitor real-time impact of input cost changes on profitability.

Ensure timely and insightful financial statement preparation.

CFO Duties and Responsibilities

1. Direct and coordinate the financial affairs of our client company according to accepted financial principles, and federal and state government regulations.
2. Ensure adequate controls in safekeeping the assets of the client company and properly managing the financial affairs of the business.
3. Manage accounting and finance department and IT functions as a responsive and effective team and evaluate direct reports and upgrade team where necessary including hiring a cost Accountant.
4. Ensure timely and detailed reporting of monthly financial statements, standard monthly reporting package to the investors and bank, as well as daily and weekly reporting for the senior management team.
5. Develop financial reporting package that highlights:
 - a. progress against strategic initiatives,
 - b. operational performance and profitability
 - c. service performance and profitability
 - d. key profitability metrics that can be used to identify opportunities for action.
 - e. labor productivity
 - f. MD&A that links the financial results to what is happening in the business
6. Evaluate, recommend, and drive implementation of financial reporting system and link it to the company's operating platform (if appropriate)
7. Direct preparation of monthly, quarterly and annual budget forecasts and participate in business planning.
8. Lead the effort to ensure proper cash management and liquidity in the business while maximizing profitability. Identify opportunities to accelerate billings and collections.
9. Provide key metrics information in value-added formats and other financial analysis of the operation to guide senior management to make sound decisions.

10. Act as a sounding board to the President while taking the lead on managing and improving all areas of reporting, systems and financial management.
11. Direct all efforts to manage the current systems and implement any upgrades or replacement systems.
12. Identify ways to reduce costs of raw materials and products, monitor material intake and set minimum and maximum inventory levels.
13. Responsible jointly with the President for legal compliance & administration, cost improvement/efficiency coordination, corporate pricing policy & administration, acquisition analysis and general administration.

Executive VP Finance Qualifications:

High personal ethics and business integrity.

Bachelor's degree in Finance or Accounting; (MBA or CMA preferred).

Highly motivated by equity ownership participation and excited to work in a small, high growth company environment with its limited management and systems resources.

Most important issue is someone who wants to dig in, take ownership, build the systems and procedures to insure profitable sustained growth, and desires to drive the value of the business with the objective of financial gain for him or her and the rest of the shareholders.

Ideally will have demonstrated success in a strategic management role in a growth oriented food or chemical processing manufacturing environment. Food products manufacturing experience not necessary.

Aggressive driver of accountability with strong analytical skills and a detail-oriented approach.

Minimum of 10 years experience in a senior management role. Private equity owned portfolio company background is ideal but not required.

Direct experience with manufacturing cost systems and management. Facile understanding of different accounting strategies in a manufacturing environment and the trade-offs.

Proven history of developing profitability analyses, understanding the impact of operational decisions on profit, and educating management on how to improve bottom line.

Significant experience hiring and developing subordinates.

Successful experience in a similar company environment — small, rapid growth, manufacturing company with a multi-process experience (i.e. manufacturing, storage, transportation). food manufacturing and multi-plant experience ideal.

Proven experience researching, selecting and implementing an integrated IT system in a manufacturing environment.

Ideally with have experience operating in a leveraged environment focusing on cash flow management with lender reporting requirements, outside auditing, etc.

Compensation, Benefits and Relocation

1. Salary would be to \$150K.
2. Bonus will be 3.5% of EBITDA growth from one year to the next. This could amount to \$20k to \$40k for a complete year.
3. Equity: Stock options for 35,000 shares of common, which is approximately 3.2% of company's equity today.

This commercial bakery business offers a competitive benefits plan including 3 weeks vacation per year, medical and disability coverage, and 401(k). Some relocation assistance is available.

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