



# Profit Velocity Solutions Case Study Shows Dramatic Increase in Company EBITDA

*Executives reveal how the Profit Velocity methodology provided deeper insight into profitability with measurable results*

SAN FRANCISCO, CA, USA, September 25, 2014 /EINPresswire.com/ -- [Profit Velocity Solutions](#) today released a [video case study](#), highlighting how its PV Accelerator™ helped one prominent private equity firm gain deeper insights into how to increase the profitability of one of its portfolio companies. Without any additional capital investment, PE firm American Industrial Partners used Profit Velocity Solutions' toolset to transform production metrics and generate a 10 percent increase in EBITDA for their portfolio company, Northwest Hardwoods.

Managing over \$1 billion, American Industrial Partners saw the value of introducing the Profit Velocity metric right away. Partner Joel Stanwood noted in the case study, "When I understood the power of what PV Accelerator™ brings to the table, my organization grabbed onto it quickly and started working with one of our portfolio companies, Northwest Hardwoods, and found that this toolset makes a ton of sense. If you're in an asset-intensive business, you'll see the value of the Profit Velocity methodology."

The video case study illustrates just how American Industrial Partners used PV Accelerator to change how Northwest Hardwoods looked at its business, while bringing together finance, production, and the sales and marketing teams to make important decisions collaboratively on what to sell and produce. "Often, these business areas have competing priorities," said [Michael Rothschild](#), Chairman and Founder of Profit Velocity Solutions. "It's important to get all three of these groups on the same page." More than just a software tool, PV Accelerator is designed specifically for asset-intensive high product variety manufacturers to tap previously hidden opportunities to accelerate cash flow and achieve major gains in profit and ROA.

The Profit Velocity metric augments traditional cost accounting, by measuring not just profit per unit, but profit per unit of time on the machines. The result is often a dramatic and immediate increase in ROA, as companies use the methodology to spot hidden profit opportunities, delivering more precise control over the complex mix of customers, products, and assets than has ever before been possible. By measuring the speed the unit margin flows through the production process, measuring cash contribution per machine hour, PV Accelerator extracts more value from existing assets. "For example," added Rothschild, "A low-margin product that flows through the machinery faster, can often produce more cash per hour than a high-margin product that flows more slowly, and this can be a hidden opportunity representing a product that is delivering more value than was otherwise believed."

Chris Bennett, CFO of Northwest Hardwoods, said, "Bringing in Profit Velocity Solutions and the time concept, we got everybody together with one consistent metric, specifically, what is the profit per kiln hour. The best part in beginning this process was bringing the production and sales groups together, and getting them aligned in a whole new understanding of what drives profit in our business, how quickly we can turn our investments into cash." After deploying PV Accelerator, Northwest Hardwoods generated a 10 percent increase in EBITDA, and a 6 to 8 percent ROI from using PV Accelerator.

### About Profit Velocity Solutions

Based in San Francisco, with offices in key manufacturing centers worldwide, Profit Velocity Solutions offers PV Accelerator™, which reveals hidden profit opportunities in the capacity utilization trade-offs facing sales, operations and finance in complex manufacturing companies. PV Accelerator™, which can be set up in just weeks, allows management teams to collaboratively make more intelligent choices about pricing, production, and sales management, leading to substantially wider margins and higher ROA. By supplementing traditional profit-per-product-unit margin analysis with the previously unavailable “missing metric” of profit-per-machine-hour, high-product variety manufacturers can tap previously hidden opportunities to accelerate cash flow and achieve major financial gains. For more information, visit us at <http://www.profitvelocity.com>.

David Schutzman  
Profit Velocity Solutions  
203 550-8551  
email us here

---

This press release can be viewed online at: <http://www.einpresswire.com>

Disclaimer: If you have any questions regarding information in this press release please contact the company listed in the press release. Please do not contact EIN Presswire. We will be unable to assist you with your inquiry. EIN Presswire disclaims any content contained in these releases.

© 1995-2017 IPD Group, Inc. All Right Reserved.