

SHOCKING PROFIT



CASH IN ON YOUR COMPANY'S HIDDEN VALUE,
GROW LEADERS, AND SPARK A TRANSFORMATION
THAT CHANGES EVERYTHING



TIMOTHY VAN MIEGHEM

Disclaimer

All company names, client names, and identifying details in this book have been changed to protect the privacy and confidentiality of individuals and organizations. Any resemblance to actual persons, living or dead, or real businesses is purely coincidental.

We can all sing the opening tune. Jed Clampett (“Pa”) goes from rags to riches by discovering a huge pool of oil in the swamp he owns in the hills of the Ozarks. “Black Gold... Texas Tea...” So, he loads up his truck and moves to Beverly... Hills, that is. The rest is history (and comedy) for the Beverly Hillbillies.

In an instant, Jed’s land went from being worth hundreds of dollars to hundreds of millions of dollars! He didn’t create any value; he accidentally found the value that was already there.

And here’s what I want to know: ***Who sold Jed that land?***

What if the previous owner had discovered the hidden value of the land before the sale? Did they think to assess their property and understand its true value before putting it on the market?

Alas, the land was sold as farmland, not as an oil field—because they didn’t know the potential they were literally standing on.

That owner must be kicking themselves!

Sadly, this is a scenario I see play out all the time in my work with privately-owned companies pondering the “what’s next” for themselves, their businesses, and their families. My company, the ProAction Group, has completed operational assignments for more than five hundred companies. 98% of the time we find at least one instance of hidden value that radically changes the profitability and value of the company—without adding new equipment or more labor.

In other words, many companies like yours are sitting on hidden value that doesn’t need to be created, but just needs to be enabled and uncovered! There’s nothing to prevent you from getting access to the “oil” that’s already there.

Then why do substantial companies with capable leadership miss these lucrative opportunities seemingly right under their noses? Two main reasons:

- 1) They get used to their current circumstances—the common trope “this is how we’ve always done it” comes to mind.
- 2) Most CEOs haven’t looked at their business through the lens of investors like Private Equity firms, who do a deep-dive analysis of the company’s capabilities against current market conditions and opportunities before they entertain a deal.

Here is the multi-million dollar question: **Can you afford to sell your 100-million dollar baby for \$10 million?**

Is it possible you could be selling—or standing on—a metaphorical oil-rich land that could bring you Shocking Profit?

Perhaps you’re not considering selling and you feel like your company is doing fine. I am here to tell you this:

Just because you may be doing better than some doesn’t mean you’re as good as you could be! Even small improvements in your operations can compound into powerful advantages—the kind that make you tough to catch and harder to beat.

The punchline: ***Would you rather be reaping the rewards of the hidden value in your company right now, or letting the next owner claim it and develop it for themselves?***

It’s a safe bet you would choose to leverage more out of your company for the sake of the vision and dream you’ve worked so hard to achieve thus far.

This book is intended to help you do just that. What the PE (Private Equity) people know about leveraging hidden value and positioning a company for sale is what you need to know too—right now!

What the PE people know that you don't know

Private equity (PE) firms are in the business of identifying potential companies to invest in, grow and, in many cases, sell at a substantial profit. Their approach is finely tuned to gain a deep understanding of each target company's operations, so they have the information they need to refine valuations for competitive bidding—or to walk away from risky deals.

Thorough operational diligence helps to ensure PE purchases are sound investments. This is where The ProAction Group comes in. For more than 30 years I have been fortunate enough to work with hundreds of business owners to help them:

- Identify the value hidden in their company.
- Quantify the financial and market impact the current state has on the company.
- Shed light on the risks of continuing on the current path.
- Build the plan and the budget to take action.

Give the CEO what they need to make a responsible decision to move forward with what often will lead to transformational change.

When we're called in to conduct diligence for our PE clients, we often see businesses that tell us they're doing "fine." What we discover might surprise you, but it is absolutely true: ***Within two days (sometimes two hours) of talking with the CEO and touring the operations, we have been able to observe quick-win changes that increase company profitability by 50 percent or more within six months!***

THIS is what you call shocking profit.

Yes, you guessed it—there was Black Gold right under their feet they never realized existed. These are not unicorn situations; in fact, they're common. We detect warning signs that indicate inefficiencies, waste, or blocks to productivity. We sleuth all aspects of operations to uncover the root causes of the problems a company is experiencing, and indications of gaps in meeting customer needs. In so doing, we lay the foundation for quick wins as well as continuous improvement—and uncover the hidden value waiting to be leveraged.

Maybe I haven't "seen it all," but pretty close!

For years, this message has been swirling around in my head: *What if ANY company could identify that hidden value in their own operations? What would that mean to them?*

I know the answer because I see it all the time. They would:

- Position themselves competitively in the market
- Achieve higher levels of employee engagement
- Reinvigorate their dreams for the company and their personal lives
- Bank shocking profit!

Have you ever prepared your house for sale where you had to do repairs, update appliances, repaint, get it staged, etc.? When everything was completed, you said, "Wow, what a great house! Why am I selling it?" And maybe you even decided not to sell after all.

This is how I view your business. You may have hidden potential—bubbling crude—that you don't even know is there. You could uncover that value now instead of waiting for someone else to discover it.

These swirling messages finally convinced me that I had to do something about them. So, I wrote this book.

“*SHOCKING PROFIT*” represents the best of my knowledge and experience, as well as that of successful experts in the investor and private business ownership spaces.

The size of the prize

Investors want to see a company’s overall potential financial reward or opportunity in a particular market—in other words, **the size of the prize**.

What is YOUR size of the prize?

After an operational diligence assessment, I said to Joseph, owner of Magnum Manufacturing, a \$50-million-dollar maker of industrial furniture, “We can do a project with you that will double the output you’re currently getting on this line.” He replied, “Why would I bother doing that when I can just buy more equipment and not have to spend all this time to try to get better?”

This is one of my favorite questions and an apt illustration of the theme of this book. I responded, “Right, Joseph, you could do that—but at what point does it end? For how long do you keep getting just half the capacity out of the equipment you buy? Are you waiting for your competition to sell under your costs and run you out of business because they’ve designed a more efficient approach?” Joseph, I am happy to report, did embrace the process and his team learned to get the full capacity of the machine. (Joseph may have been testing me...)

What he and many business owners can miss is the cumulative effect of small improvements: efficiencies in their manufacturing processes alone can enhance their position in the market. When you understand the value of your company, you’ll stop the leakage that’s slowing down your business. Can you think of a business (maybe one that rhymes with “Ballmart”?) that dominated an industry by being marginally better than their competition in many small ways?

Let me ask you this: If you were Jed Clampett and saw a pool of bubbling crude working its way along a field on your property, would you sell that land in a heartbeat and buy a home in Beverly Hills with a “cement pond” (a pool) —or walk back to the barn, doing things the way you’ve always done them?

For Joseph and Magnum Manufacturing, we achieved a positive result by opening his mind.

If you’re still wondering about the size of the prize, consider these benefits:

- **Tactical = more profits.** When you have more productivity, efficiency, speed and less waste, you’re going to make more money and grow faster.
- **Strategic = positioning for the future.** What you do now will have a key impact on what you decide to do with the company (and your life) in the future, such as fulfilling a succession plan or selling. There’s no time like the present to position your company for the highest possible value, especially if you decide to keep running it.
- **Big Picture Benefit = impact on lives.** It’s simply a great way to live! When you work in a company whose mission is to bring out the best in its people, everyone’s experience shifts from being a job to a mission to a vocation they believe in. They’re happy and engaged in their work and their lives at home. When your company is passionate about continuously doing your absolute best, you accomplish things you would never have accomplished otherwise. I’m talking about ethical—and joyful—profit!

A word about ethical (joyful) profit

After graduating from Marquette University with a BS in Accounting, I took my first job at Arthur Andersen as an auditor. I'd chosen accounting because my dad was a CPA, and he loved his job. I loved my dad and was eager to follow in his footsteps. I didn't know when I walked into the office that first day that I would be in for a bit of a shock.

I had hardly settled into the first folder before I began to think, *Oh, my God, this day is taking forever... What time is it?* I looked at the clock: 8:30 am! By my fourth cup of coffee and the end of that first audit, I was committed to making a change.

Sincere hats off to the auditors out there—you're needed, it is important work! It just wasn't for me. I felt like I was checking other people's work with the purpose of pointing out that they screwed up. This was not the measure of my accomplishment, at least to me at the time. It clearly wasn't a good fit.

Originally, I had been attracted to Arthur Andersen because of their "Profit Improvement Practice," a specialized consulting service where my good friend, John Edwards, had a leadership role. I reached out to him and cajoled him into giving me a shot. I had some good computer skills and (it seems) decent skills of persuasion—I was given the chance to work on a project to help a company improve their freight sourcing.

Everything changed for me, and I was so grateful to John for going to bat for me. I felt I was actually helping people change how they operate, improve, and have a better time at their job. I didn't care if it was a Saturday or a Monday—both days were awesome, it was that much fun! I felt the same spirit as people who work for a cause they believe in, and I feel that way to this day.

My goal in professional life, and in this book, is to help companies get maximum profit in ethical, healthy, sustainable and joyful ways, through using the resources, talent, and leadership skills already available to them.

Every single company has substantial opportunities to improve. Many are hidden, and I'm going to show you how to mine and refine them. If you follow the ideas in this book, you stand to see real impact in stress levels, employee engagement and positive financial indicators in six to eight weeks!



About Tim Van Mieghem: *Builder of Leaders, Finder of Hidden Profit*

Tim Van Mieghem doesn't just consult – he transforms.

He is a founding partner of The ProAction Group, an operational consulting firm specializing in helping middle-market companies, family-owned businesses, and private equity firms identify and unlock hidden value. Tim has spent more than 30 years walking factory floors, listening to frustrated teams, and uncovering the “Black Gold” of hidden profits buried in plain sight. His mission? To shock companies awake to the value that's already within their reach.

Armed with a blend of financial acumen, operational know-how, and battle-tested experience with private equity firms and mid-market companies, Tim has led hundreds of transformations that unlocked millions in profit, cut waste, and unleashed leaders who didn't even know they had it in them. With hands-on expertise in manufacturing, distribution, and supply chain management, Tim brings a proven track record of turning overlooked inefficiencies into measurable profit.

Prior to founding The ProAction Group in 1995, Tim worked in operational consulting at Arthur Andersen and a boutique supply chain consulting firm. A Certified Public Accountant with a BS in Accounting from Marquette University, Tim has served on the boards of ACME Metal Coatings, Automated Business Machines, and DeWayne's Quality Metal Coatings.

He is also the host of the *Shocking Profit Podcast*, the author of *Implementing Supply Chain Partnerships*, and the creator of The ProAction Group's proprietary 9-Box Inventory and Pricing Tool. Driven by a passion for sustainable value creation and ethical leadership, Tim believes every company is sitting on a treasure trove of opportunity – if they know where to look.

Work with Tim Van Mieghem

If you're interested in reaching out to Tim Van Mieghem, the author of *Shocking Profit*, or if you would like to work with him or book him as a speaker, you can contact him through The ProAction Group. Tim is a partner at The ProAction Group, and he is always open to connecting with individuals who are passionate about improving their business operations and achieving remarkable results.

- You can contact Tim and learn more about The ProAction Group at www.proactiongroup.com
- You can contact Tim and access Go Deeper Resources for Shocking Profit at www.shockingprofit.com
- You can also reach out to Tim directly at tvm@proactiongroup.com

ⁱ *The Beverly Hillbillies* television show, CBS 1962–1971.
<https://www.imdb.com/title/tt0055662/>

Song Reference

“The Ballad of Jed Clampett”

Written by Paul Henning

Performed by Flatt & Scruggs

Theme song for *The Beverly Hillbillies* (1962–1971)