

## DEAL OR NO DEAL? PDM MOLDS FUTURE

**ABOUT PLASTIC DESIGN & MANUFACTURING (PDM).** Plastic Design and Manufacturing, Inc. (PDM) started in 1998 as a consulting and offshore tooling firm that expanded in 2009 to a custom plastic injection molding, tooling trials, and specialized assemblies supplier to the hardware, outdoor/sporting goods, and communications industry. The OEM injection molding company is housed in a custom-built factory in Manhattan, Montana and employs 55 people.

**THE CHALLENGE.** PDM had been approached by a potential buyer, and PDM CEO/Owner, Mike Groff, was considering a future ownership transition. The potential buyer was looking for a tangible asset sale, but Mike knew there was greater value in his high growth business and its Montana workforce. He needed help assessing PDM's current and potential operational value, and ongoing assistance to improve and realize the highest value possible.

**MEP CENTER'S ROLE.** PDM has been working with MMEC on various improvements over the last decade. It was only natural that PDM would turn to MMEC as they began preparing for a potential ownership transition. Through an operational value assessment conducted by MMEC, Mike was able to better recognize the value of their intangible assets. Working closely with PDM, MMEC has provided training, coaching, analysis, implementation, and support to optimize capacity utilization trade-offs, improve pricing, recover productive capacity, reduce costs, make data-driven decisions, and overall strengthen the business.

When the potential buyer approached PDM, MMEC (with assistance from the regional Small Business Development Center) served as the sell side advisor, walking side by side with the owner throughout the process and helping to deflect distractions of the sale and focus instead on running the business. PDM's management team, quality assurance systems, information systems, customer relations, company culture, and the breadth and depth of their capabilities had not been valued by the prospective buyer. Despite the initial attraction, the asset sale deal did not fully reflect PDM's worth or value the people: the company's biggest asset.

As a result of guidance provided by MMEC, a well-informed PDM averted a bad ownership transition decision and walked away from the deal. Through continued improvements, PDM is now even more successful, more valuable, and more ready for and attractive to potential buyers as a high-growth going concern.

**"MMEC is a valuable resource for PDM and any other growing company that needs great resources to understand operational efficiencies and growth opportunities. We highly value the services we have received over the last 10 years from MMEC."**

-Michael K. Groff, CEO/Owner

## RESULTS



**37** new and 59 retained in the last 5 years



**\$1.15** million over the last 5 years



**\$1.3** million over the last 5 years



Over **\$700,000** in cost savings and avoidance over the last 5 years

## CONTACT US



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