



CHIEF EXECUTIVE OFFICER

POSITION PROFILE

OVERVIEW:

[Company], a [XX]-year-old company with X locations, provides precision machining, sheet metal, and welding services to the aerospace industry. A dedicated and skilled staff produces and delivers high-quality parts for a variety of commercial and military aircraft. Using CNC equipment and concurrent engineering support, the company responds quickly to requirements for build-to-print parts and complete assemblies from its manufacturing facilities. Materials used include [metals description].

[Company] has a stellar reputation throughout the aerospace industry of delivering quality products on time and within budget. Job control and on-time deliveries are maintained through the use of an integrated computerized production control system. CAD/CAM computer systems include [systems description]. The Company is AS9100:200X and ISO 9001:200X registered. Annual Company revenues exceed \$XX million. The Company has current capacity to produce products generating approximately \$XX million in revenue. The company's customers are split between defense and commercial OEM aircraft manufacturers.

The current majority shareholders of the company, acquired the first of the X plants in 20XX. The latter acquisitions were financed by [Equity Company], a private equity firm that owns a minority ownership position. The majority shareholders have managed the company's day-to-day operations since the acquisitions, and are planning to hire an experienced **Chief Executive Officer** to achieve their growth objectives.

SCOPE OF OPERATION:

[Organizational structure description]

MISSION:

The CEO must improve operations, revenue and profitability to better position the company for future sale. This will be accomplished through sales growth to existing and new customers, organizational development, improved processes & procedures, streamlining and possible consolidation of the X operations and implementing operational improvements such as lean manufacturing.

PERFORMANCE OBJECTIVES:

1. **Organizational Development:** The **CEO** must develop the organization to its full potential and keep personnel motivated and productive. The **CEO** must also assess the organization and conduct succession planning in addition to the following:
 - a. Assess the current employees and organization of the company and X locations. Make changes to the structure, number of locations, etc as needed to improve performance along with creating a plan for optimizing employee performance. This may include: (i) analyzing individual skills vs. current job roles and reassigning individuals as needed; (ii) adding staff to support key individuals and facilitate greater productivity; (iii) replacing people not capable of performing to higher standards; and (iv) providing leadership - giving each key individual goals, motivation, and support to achieve those goals
 - b. Ensure that the business unit is properly staffed with qualified, motivated individuals who can support the company's needs for timely completion of quality work, within budget.
 - c. Strengthen the leadership skills of the management staff and their ability to understand and work with each other.
 - d. Facilitate a better consciousness of potential company-wide synergies to encourage a comfortable, communicative working environment by developing clear and accurate work schedules and removing obstacles to process improvements.
 - e. Establish a system and culture of accountability to ensure that the executive team, its direct reports, and ultimately everyone in the company understands the CEO's objectives and priorities, the action steps needed to accomplish these objectives and meet these priorities, the milestones that must be met and when they must be met, the rewards for meeting them and the consequences for failing to meet them.
 - f. Each of the Company's X plantss operations are led by seasoned managers in the key functional areas of estimating, bidding, contract administration, planning, programming, QA, purchasing, scheduling, production, shipping, and receiving. The CEO will be expected to assess these functional areas and, if deficiencies are found, develop a plan for addressing them.
2. **Customer Relationships:** The company has solid manufacturing relationships with [key clients] and a number of other aerospace manufacturers. The CEO must meet with the key contacts on both the purchasing and financing sides at each key customer and identify any material business risks; address any concerns of the customers; and develop opportunities to expand the relationships in terms of revenue.
3. **Sales Process:** Review the current sales plan and functional team and modify/restructure/enhance it to meet the company's objective of achieving annual revenue targets. The sales plan should cover processes and procedures, personnel resource planning (e.g., internal sales representatives/employees, external manufacturers reps), sales personnel performance objectives, and accountability systems and standards.
4. **Increase Profitability:** The Company should break-even or generate a modest EBITDA in 20XX (on \$XXMM to \$XXMM in revenues). The Company's ability to break-even on 20XX's revenue

reflects two reduction-in-forces ("RIFs") in 20XX that significantly reduced costs. The CEO must address several critical areas to improve the profitability in this next year, including:

- a. **Bid Management:** Implement policies, procedures, and systems to ensure that bids are both competitive (i.e., "winnable") and profitable.
 - b. **Purchasing:** Along with labor and overhead, material costs are critical drivers of the Company's profitability. Implement policies, procedures, and systems to ensure that the proper material is purchased at the lowest possible cost.
 - c. **Production:** The CEO must implement policies, procedures, and systems that ensure the Company is as "lean" as it can be while still delivering high quality product on time. Ideally, the CEO will be an expert in Kaizen or other continuous improvement systems and leads the implementation of such systems so that there is a constant effort to maximize efficiency and minimize costs.
 - d. **Cost Accounting:** The Company's cost accounting systems are deficient. Fully operational, and used properly and consistently, the CEO must have the skills and experience to lead/manage a CFO as a solid cost accounting system is implemented.
5. **Improve Quality Processes:** Evaluate the current quality system against the required standards for AS9100 and ISO9001 certification. Implement a robust quality assurance system to improve the overall quality performance. Move away from the current paper system to an automated system with in process inspection and proactive processes.
6. **Budgeting and Financial Performance:** Provide Leadership to the CFO, who will have recently joined the company by the time a CEO arrives. In addition to the normal CFO functions, including financial accounting, cash management, reporting, budgeting and planning, risk management, investor communications, and finance, the new CFO will have the critical task of ensuring that the Company's currently inadequate cost accounting systems and procedures are upgraded and fully operational. The CEO must ensure that the CFO is held accountable for the achievement of this objective and other finance and accounting objectives.
7. **Investor and Board Communications:** The CEO will report to the board and key investors on at least a monthly basis and present a business plan annually. CEO should lead a transparent organization where accountability is rigorous and surprises are forbidden.
8. **Exit Strategy:** Understanding the outside investors are ultimately interested in an exit, and hence, liquidity event, the CEO must constantly lead with the objective of maximizing enterprise value (by maximizing revenue and profitability and building and maintaining the business such that it is highly attractive to potential acquirers).

PERFORMANCE EVALUATION:

The CEO's success in achieving the above objectives will be measured by the following:

- Increasing Annual Revenue – set goals with owners and investors for aggressive growth. Currently, targets have been estimated at \$XXMM in current year.
- Increasing Profitability – maximize EBITDA margins. Currently goals are X%.
- Organizational assessment and short-term action plan in place in 30 days.
- Visit all key customers within 90 days.
- Comprehensive sales plan completed within 90 days.
- Monthly sales tracking to a \$XXMM annual plan by Q2.
- Systems of accountability in place within 90 days.
- Assessment of operations and plan for addressing deficiencies within 90 days.
- AS9100 and ISO9001 annual audit "dry run" complete within 120 days.
- Implementation of fully functional cost accounting system and procedures within 90 days.
- Scores exceeding 80% on the 12 key questions from the Gallup employee satisfaction poll within first year.
- Satisfactory "report card" by key investors within 120 days.

BACKGROUND AND EXPERIENCE:

The ideal candidate will have the following education and experience profile:

Education: BS degree (preferably in business or engineering) is required. Graduate degree is preferred.

Experience:

- Minimum 10 years experience in executive leadership of the operations of a mid-size (\$20M-\$100M) aerospace manufacturing business.
- Previous background in a precision machining and sheet metal fabrication is highly preferred.
- Proven track record of driving lean manufacturing in an organization is required.
- Excellent customer relationship experience, and ability to help capture new business from aerospace primes.
- Design engineering experience is a plus.
- Must be very comfortable in an environment with high utilization of ERP / MRP.

Knowledge and Skills: Financial management knowledge and ability including P&L, cash flow is a must. Operations and materials management is a plus. Ability to create a cohesive, productive team is required. Knowledge of standards-based cost accounting is a plus.

PERSONALITY AND CHARACTER:

- Able to develop a values-based core uniting his/her team in the pursuit of the Company's objectives
- A thought leader, generating new ideas and alternative approaches
- Able to form a clear vision and objectives for his/her team

- Able to build a plan, creating and defining the optimal path to achievement of his/her vision and the Company's objectives, organize, and integrate priorities and deadlines
- Able to recruit, engage, and inspire a team
- Strong communication skills (e.g., highly empathic, clear expression)
- Able to build and lead an organizational structure that is responsive to a complex, rapidly changing external environment
- Able to create and lead a culture and systems of accountability
- Able to produce results
- Highly collaborative and supportive

REPORTING RELATIONSHIP:

The CEO will report to the board of Directors, including the key representatives of [Equity Company].

COMPENSATION:

Base Salary: Target of \$XXXXK

Bonus: [Bonus program based on EBITDA with a floor and escalating levels].

Phantom Equity:

- [Provides for equity share under several scenarios]

Standard benefit package.

ORGANIZATIONAL CHART:

[Org chart]