Additional EMP and M&A details Quoting from "Rethinking M&A, by Steve Anderson, Chairman Acorn Systems (Mr. Anderson is currently involved with helping Acorn further penetrate the private equity space.) and Kevin Prokop, Director, Questor Management, July, 2005

"By now, the statics are well known. Most LBO fund returns net of fees are lower than the S&P 500...Buyers of all types are struggling with how to reduce the risks and increase the returns of their acquisition programs...We propose a breakthrough approach to mergers and acquisitions. By using sophisticated Fast Track Profit Models to identify profit opportunities before an acquisition, the acquirer can know the profit improvement opportunities in great detail, up front."

As described above, by creating an enterprise master plan (EMP) from the Fast Track Profit Model, every last "drop" of profit the proposed company's projected income statement's resources are capable of creating are identified. In addition, all the supply chain balance sheet changes necessary are identified, optimally. **The creation of the EMP model is made significantly easier by virtue of the fact the Fast Track Profit model is activity-based.**

This is because all the drivers in ABC models are units (i.e., activities). This forces the development of the associated ABC planning factors (activity consumption rate (acr), resource consumption rate (rcr) and cost factors (cf)) which are required to drive the costs to the units. Turns out these planning factors are precisely what the EMP model needs for its cost functions.

Thus, when CAM-I published its ground breaking book, *The Closed Loop*, describing how the planning factors acr, rcr and cf could be used for planning purposes, the stage was set for, 9 years later, the capability to optimize *The Closed Loop* by relaxing its assumption of a fixed forecast and applying prescriptive optimization techniques.