

CLIENT SUCCESS STUDY

AUTOMOTIVE PERFORMANCE TURNAROUND

DRIVING TO THE TOP

The Situation

This organization is a Tier 1 service partner to one of the large automotive manufacturers. The company has a long and successful history, however there are increasing pressures by the manufacturer to improve both service and pricing. In addition there are new competitors entering the market space.

The Challenge

In order to identify key initiatives that would allow the organization to meet the current demands, as well as position them for future growth, the company elected to undertake an analysis of their operations.

The key findings provided both insight for the executives, as well as specific detailed operating issues which needed to be addressed. *Initially many of the findings were difficult for many of the mid-level managers to accept.*

These included:

Poor work prioritization for the employees; a lack of reasonable and timely forecasts; inconsistent shift scheduling; and a lack of ability to identify performance related problems. The resulting impact on plant productivity was enormous, almost 43% of the inputs were non value added, or they were wasted.

To make matters worse, the employees knew there were significant problems. The major irritant for the employees was what they perceived to be an excessive amount of overtime. Overtime had become almost mandatory, and there were individuals who had not had two consecutive days off for months. This was causing an exceptionally high turnover rate, and with the learning curve for new employees, it was an additional drain on productivity.

The Approach

One of the most important activities undertaken at the onset of the program was to develop and demonstrate the direct link between specific performance and overall productivity. This task was ac-

complished by involving **ALL** management levels. This enabled each management level employee to prioritize his or her activities in a manner that would ensure that the outcome was in line with the overall objectives of the organization. In turn, frontline management and supervision were capable of defining individual and group performance targets, in terms that were both meaningful to the performers, as well as directly linked to the financial performance of the organization.

Combined with on-the-job training in problem solving methodologies, these initiatives led to some startling changes:

- Redesigned workflow and plant layout
- New scheduling tools
- Timely management intervention

The Results

The results were outstanding: customer service levels increased dramatically. The organization historically had performed "in the middle of the pack" as rated by the manufacturer. Within 8 weeks of starting the program, service ranking had risen to 4th place, and after 4 months the operation was consistently rated number 1 or 2 each week.

Overall direct input costs decreased by over 30%, while at the same time, additional work—awarded as a result of improved customer service—increased almost 20%.

Overtime hours and costs were slashed, in some areas by as much as 90%. Employee satisfaction improved and turnover reduced. A significant portion of the increased productivity was the result of reduced "new-hire" training requirements.



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**SOLVING YOUR COMPLEX
BUSINESS PROBLEMS**

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**STRATEGY, TRANSFORMATIONS &
PERFORMANCE TURNAROUNDS**

ABOUT GORDIAN TRANSFORMATION PARTNERS

Gordian Transformation Partners is a boutique management consulting firm that integrates traditional management consulting disciplines with high-impact leadership practices and breakthrough thinking tools for mid-market clients. The result is a powerful consulting process that enables CXO's to solve their toughest business challenges with speed, efficiency, and economy.

Gordian Transformation Partners is headquartered in Atlanta, GA. We draw on the knowledge and experience of our consultants, whose skills span the initial generation of ideas and insights all the way through to detailed implementation. Gordian's consultants have lead transformation and turnaround initiatives for over 500 Global 1000 and mid-market companies in Australia, Belgium, Canada, Cyprus, Denmark, Finland, Hong Kong, Indonesia, Italy, Jamaica, Malaysia, Mexico, the Netherlands, New

Guinea, New Zealand, Norway, Portugal, Singapore, Spain, South Africa, Sweden, Trinidad, the United Kingdom, and the USA.

Gordian's consulting expertise addresses every area of your enterprise, from developing a transformation strategy to make your organization more customer-focused, to optimizing your supply chain investment, with the tools and expertise to help you reach your objectives.

Gordian draws on the knowledge and expertise of our consultants, whose skills span a wider range of capability than many other major consulting firms. The disciplines of Gordian's consulting specialists are underpinned by deep change management experience - managing risk, mobilizing staff and integrating initiatives to deliver sustainable change quickly.

Gordian Transformation Partners assists clients on a wide array of issues and problems, regardless of industry vertical. Gordian's

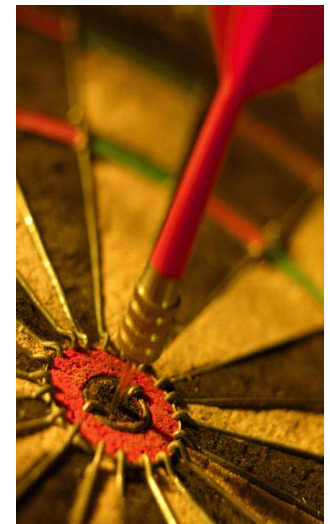
consultants' capabilities have been developed through years of experience creating solutions for the most complex, fundamental problems facing companies today.

Gordian Transformation Partners is focused on what is most important to senior executives and their organization:

- Enterprise Transformation
- Customer Driven Transformation
- Strategy
- Change Management
- Business Process Management
- Performance Turnaround
- Behavioral Development

**Gordian Transformation
Partners:**

- *Help organizations produce extraordinary business results, while connecting and enriching the lives Gordian Transformation Partners touch.*
- *Works in a dynamic team environment, where you and your management team share substantially in the economic value that you help create.*
- *Trains and develops you and your management team, to realize your fullest potential.*
- *Transforms your organization to a collaborative, high-energy, and fulfilling work environment.*



Is your business on target with your vision and customer expectations?

**Contact Gordian at:
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