

## CLIENT SUCCESS STUDY

MANUFACTURING ENTERPRISE TRANSFORMATION

### RIISING FROM THE ASHES

#### The Situation

The client is a mid-market fabricator and distributor of plastic materials, plastic parts fabrication, label printing, and graphics design/printing. Their products include extruded and cast nylon, vinyl, acrylics, delrin, and polypropylene.

A few months prior to the engagement, the client had a devastating fire. The result of the fire was a complete collapse of the management structure. In an effort to get through the hardships, immediately following the fire, people began to take shortcuts in their system, and before long, the shortcuts had become the system.

In addition to the fire, the client had also acquired three companies in the previous eighteen month period, and struggled to integrate the interests of four enterprises into one system.

#### The Challenge

The engagement team was retained to re-invent and improve the management control system and to retrain the entire staff in the correct processes and procedures. The key objective of the engagement was to achieve a "focused bottom-line" resulting in increased capital and a finely tuned operating system.

After a thorough analysis of the company, it was discovered that control of each of the key processes was almost non-existent. Issues such as no control of inbound/outbound shipments; no control of inventory; no fabrication planning or scheduling; errors permeated each of the key information systems; and account receivable was out of control, with large volumes of customer delinquencies. The company was on the edge of collapse and didn't realize it.

#### The Approach

An integrated approach was undertaken to address the vast numbers of issues facing the client organization.

The senior management team completed a business transformation strategy and created a roadmap detailing future growth and planning.

The consultants at Gordian developed and implemented a production planning and control system, that eliminated the disappearance of paperwork because it sat on someone's desk. The warehouse and purchasing departments were integrated, so each could rely on the other's information. Purchasing criteria was completely revamped. Inventory replenishment was changed, and based on minimum/maximum quantities, usage per delivery interval, and freight considerations.

Material flow and responsibilities were restructured. Workflow in the accounting departments were redesigned, and collection processes and policies reengineered.

An inside sales team was created, with premiums focused on revenue generating activities and customer service. Performance metrics were established to manage the sales and customer service processes.

Weekly performance review meetings were established in each department, and kept cross departmental teams involved to quickly address off-schedule issues.

#### The Results

Having successfully "risen from the ashes", in less than seven months, the client realized improvements in productivity, inventory management, revenue, and information integrity.

- Productivity increased by 42%
- Utilization increased by 57%
- Revenue increased by 22%
- AR was reduced by 50%
- Inventory reduced by 50%
- Overtime was eliminated
- 3.2:1 ROI



Inventory information was correct for the first time in years.

*"the client successfully 'rose from the ashes', in less than seven months"*



Performance metrics were monitored hourly, daily, and weekly.

**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

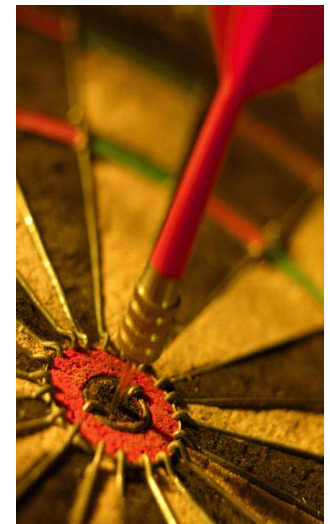
consultants' capabilities have been developed through years of experience creating solutions for the most complex, fundamental problems facing companies today.

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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