

## CLIENT SUCCESS STUDY

CONSUMER PRODUCTS PERFORMANCE TURNAROUND



### TURNAROUND TO SURVIVE THE MARKET

#### The Situation

A mid-market manufacturer of finished corrugated boxes, whose history is one of struggle and survival since incorporated in the early 1980's. With a struggling economy in 2002 & 2003, the company was faced once again, with serious survival issues. Having already laid off many employees in late 2002, and reorganized to a "bare bones" organization, the CEO and his team were not seeing any improvement in the bottom-line. *Where were the improvements?*

#### The Challenge

Upon completion of the analysis, the senior management struggled to accept that there was a potential 25% improvement in productivity and a return of 10% to the bottom-line. This was a team in midst of battle, without a compass. While the company had implemented an industry recognized ERP system, they had failed to update input metrics, as production facilities had been upgraded. Nor had anyone taken in account employee performance, as they were trained for various positions within the production lines.

In addition to these problems, the management team failed to work together to address issues that were identified. They simply would point fingers and blame their problems on other departments. A sense of complacency permeated the entire organization. Production's answer to all of their problems was to hire more people and work more overtime. A focus of addressing the "root causes" of problems did not exist. Nor did the availability of financial metrics, to enable management to see the contributions made by department or product line.

#### The Approach

With the slow season quickly approaching, the focus of the engagement was to turn the production performance around, and drive operating costs out. Through a straight forward "back

to basics" approach, a management operating system was installed, incorporating key metrics from the limited financials available, and the outputs from the incumbent ERP system. In addition, front line supervision and management were trained to set standards on each of the production lines, and to measure variance against those same standards on an hourly basis. Maintenance activities were re-focused, insuring "production down" as the highest response status, keying in on planned maintenance activities, and schedule inspections.

An employee involvement program was initiated, in order to get all of the employees active in identifying and resolving problems throughout the company. Problems and actions required to fix were reviewed and resolved at the beginning of each shift. Cross departmental management teams were organized to address issues outside of departmental boundaries.

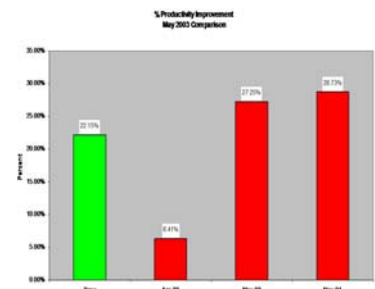
In addition, employee skills flexibility training was implemented to prevent machine downtime, and reduce the "out of control" overtime. Management and plant supervision were trained in the understanding of key performance metrics, and how to quickly address identified variances.

#### The Results

Measurable, sustainable results were seen quickly throughout the company. Machine production performance began setting plant records. Overtime shifts were dramatically reduced. Employee turnover reduced. Management worked together cohesively.

Within two months of the project start, a 28% increase in productivity was achieved, while driving 10% of gross revenue to the bottom-line.

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A 28% improvement in plant productivity over the previous two years was achieved and sustained in less than 2 months.

**SOLVING YOUR COMPLEX  
BUSINESS PROBLEMS**

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**S T R A T E G Y , T R A N S F O R M A T I O N S &  
P E R F O R M A N C E T U R N A R O U N D S**

**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

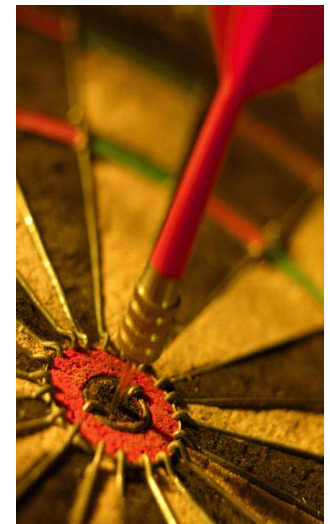
consultants' capabilities have been developed through years of experience creating solutions for the most complex, fundamental problems facing companies today.

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?***

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