



Financial Guarantee Case Study

A global leader in the formulation of high performance rubber and plastic parts for the medical, pharmaceutical, water, power, and transportation industries had a management culture that lacked ownership of problems. The company employs more than 1,000 workers across five manufacturing plants around the world. Our initial engagement was with a plant in Mexico with 250 employees.

Supervisors were performing inconsistently and their reactive management style was driving significant amounts of lost time, excessive scrap, and slowdown in production.



DB&A Analysis

The plant in Mexico had brought in a team of technical experts to train and develop the plant workers. The DB&A consultants identified that problems were arising due to attrition and lack of documentation of processes in Spanish.

Much of the training from the U.S. was done verbally and without the proper follow-up to ensure transference of information was adopted correctly. American technical experts were becoming frustrated having to conduct repetitive training.

Communication gaps contributed to a lack of process controls which slowed production, caused downtime, and increased scrap.



The DB&A Difference

Analysis Financial Proposal

- Proposed Project Cost: \$1,025,000
- Guaranteed Savings Rate: \$2,050,000
- Guaranteed ROI: 2:1

Actual Financial Results

- Actual Project Cost: \$945,000
- Annualized Savings Rate: \$1,888,000
- ROI: 2:1

Project Results

- Guarantee fulfilled by reducing fees \$80,000 to offset annualized savings rate variance of \$160,000
- Downtime decreased by 42%
- Press productivity increased by 31%
- Material usage variation decreased by 37%

The main goal of the project was to reduce material variance, reduce scrap, and improve productivity to achieve on time delivery.

DB&A also identified that there was room for improvement in throughput, reduction in changeover times, and decreased downtime. This would require working with the Production and Scheduling team, as well as all the support teams including Engineering, Quality, Maintenance, Materials, and Tooling.

DB&A guaranteed annualized savings rate of \$2.05 million which it would achieve through improving the management culture and improving the communication processes.

Implementation Actions

Improving communication throughout the facility was a priority of the consulting project. Our consultants partnered with Spanish speaking interpreters to establish and maintain working relationships with supervisors at the facility, to translate processes and procedures into Spanish.

The consultant team worked with local leaders to implement management tools that would allow supervisors to more effectively communicate realistic expectations and hold employees accountable to new standards. DB&A trained supervisors to recognize and remedy barriers that stood in the way of cost-effective performance. Leaders were not only equipped with the metrics to measure progress, they were also taught how to use those numbers to drive performance and influence behavior of hourly employees.

DB&A trained the management team to calculate realistic standards for what constitutes a fair day's work and developed an objective scorecard for evaluating employee performance. Now, when there's a performance variance, supervisors are able to look for issues and then follow a clearly defined list of action items to correct the problems quickly.



Management Workshops

In addition to one-on-one coaching and hands-on supervisory training on the floor, managers and supervisors participated in a variety of workshops emphasizing the practice of clearly defining roles and responsibilities.

These workshops taught concepts that included:

- Communication of daily/hourly objectives
- Setting proper expectations
- Importance of conducting short-interval follow-up
- Handling confrontation
- How to hold employees accountable

Management Culture Transformation

DB&A's approach delivered a customized management operating system to create standard work and predictability of results. The completion of the consulting project provided substantial results for the facility.

Overall downtime decreased by 42%, press productivity increased by 31%, and the material usage variation decreased by 37%. The increased efficiency led to \$1.89 million in annualized savings rate.

At the beginning of the project, DB&A guaranteed a 2:1 return on investment and \$2.05 million in annualized savings rate. In order to fulfill our commitment to meet the guaranteed ROI, DB&A reduced fees by \$80,000. The client chose to take part of the fee reduction in continued services after the completion date to on-board a new Operations Manager and VP of Operations.

The client has called DB&A back to complete another analysis and project at a second facility.

Since 1987 DB&A has provided cross-industry management consulting delivering 15-20% in operational and financial improvements to our clients with a financial guarantee. We deliver customized solutions that maximize existing resources to increase efficiency, capacity, and productivity. Our approach is to work with all levels of management to transform management culture in order to drive accountability where it matters most: the front-lines. For more information visit www.dbaresults.com or email contact@dbaresults.com