



DB&A's Proven Process Facilitates Long-Lasting Change for LL Building Products

By definition, mergers and acquisitions are instruments of uncommon change that can test the resolve of any organization. However, when companies embrace these periods of transition, challenges can be transformed into opportunities—and employees at every level can take pride in co-creating a work environment that fosters bottom-line profitability and front-line job satisfaction.

When GAF Materials Corporation, the largest roofing manufacturer in the United States, purchased LL Building Products, it was no mere coincidence. LL Building



Products is a manufacturer of ventilation systems and HVAC materials — products sold in tandem with roofing supplies — making this new subsidiary a natural complement to GAF's business.

GAF leaders knew going into the acquisition that LL Building Products was not operating at its full potential. As a primary supplier to Home Depot, LL Building Products had grown quickly to keep pace with the home improvement giant's expanding operations. Unfortunately, this rapid growth also magnified the shortcomings of LL's management infrastructure, resulting in communication breakdowns, widespread inefficiencies, and poor employee morale.

GAF management had successfully worked with DB&A in the past, and were confident that DB&A could help LL Building Products evolve its culture to enhance the bottom line.

“DeWolff, Boberg & Associates helped us help ourselves and enabled us to become true competitors in our marketplace,” said the plant manager. “We no longer refer to it as ‘the DB&A system’. This is our management operating system now.”

The engagement began with a two-week Analysis. DB&A consultants worked closely with the LL team to observe

The DB&A Difference

Analysis Financial Proposal

- Guaranteed Savings: \$2,200,000

Actual Financial Results

- Annualized Savings: \$3,600,000

Immediate Operational Results

- 20% increase in efficiency
- 50% reduction in temp labor
- 67% decrease in scrap
- 45% reduction in inventory, resulting in \$3k monthly savings on warehousing
- 29% reduction in overtime

Long-Term Operational Results

- 50% reduction in accidents
- 46% reduction in customer returns
- Shipping increases from 30 cartons per to 41 cartons per hour
- 10% reduction in maintenance costs

existing processes, equipment, materials, people, cycle times, and inventory levels, as well as intangibles such as business culture, organizational strengths, service, and quality shortfalls. Along the way, they identified opportunities for improvement and pinpointed the issues that were keeping the client from achieving greater results, one of the key issues identified was communication.

Poor and inconsistent communication flow from the manufacturing floor to management meant that

information was not being reliably relayed, making it difficult for managers to plan effectively and react appropriately. Due to insufficient data, there was inadequate understanding of the true capacities of the production lines. This meant that daily production quantities were not based on the most accurate numbers. Additionally, there was no system in place for employees to proactively identify and correct the issues associated with the loss of production on the floor.

Together, the DB&A team and LL front-line supervisors conducted more than 2,500 observations of various production line activities. Through careful documentation, capacities were determined, and hourly production expectations were set. Each employee was given a tangible goal to achieve.

As with every DB&A engagement, the recommended solutions were designed using the technical, operational, and human resources already in place at the company, with no need for additional IT outlays or new hires.

Changes implemented during the DB&A engagement quickly helped LL shine as a subsidiary of GAF. They saw an overall improvement in employee morale and how organizational issues were handled. Turnover also declined dramatically. When DB&A started the project, turnover was at 42 percent. At last count, that percentage had fallen to the mid-teens.

Employee re-engagement became a primary driver of production improvements and cost reductions. After the first 30-weeks of intense work with DB&A, LL Building Products posted these dramatic operational results:

- 20% increase in efficiency
- 50% reduction in temporary labor requirements
- 67% average decrease in scrap
- 45% reduction in inventory, resulting in \$3,000 monthly savings on outside warehouse costs
- 29% reduction in overtime quality

As for financial results, LL obtained an annual savings rate of \$3.6 million — exceeding the original projection of \$2.2 million. These results inspired LL to keep building on its successes to further enhance performance and profitability. By taking ownership of these processes and tailoring them to suit its ever-changing needs, LL's cost savings, product quality, and employee morale continued to trend upward. Years after the original engagement, the client reported the following operational gains over and above the initial results:

- 50% reduction in accidents
- 46% reduction in customer returns
- Increase from 30 cartons per hour in shipping to an average of 41.3 cartons per hour
- 40% reduction in scrap
- 10% reduction in maintenance costs

As the management team became comfortable with the tools and techniques DB&A had introduced, they began expanding and modifying the processes to meet the plant's changing needs.

As an example, LL expanded the role of the shift huddle to include more than daily goals and product schedules. Now they also address issues such as product quality, customer service, and safety. These in-depth huddles give everyone, even newcomers, a good idea of what's going on for that shift and what will be handed off for the next shift.

LL has also added a large master board to provide written reminders of the topics addressed in the shift huddle. It is a very organic tool that changes every shift, and employees are encouraged to check it frequently for the latest production goals, customer service issues, and other key information.

Another way LL has made its mark on the program is by tailoring training modules to reflect real-world situations that LL employees might face. While DB&A's original examples in the training modules were made to be generic, LL has revised them to be specific to their operations, and thus more relevant to their employees.

To keep the modules as relevant and effective as possible, LL formed a training steering committee to periodically review materials and make recommendations for improvement. The company also holds annual training sessions where new and veteran employees alike are trained or retrained on the modules, then cross-trained in various capacities. These sessions not only cover the nuts and bolts of each process—they also show employees the big picture of how the many elements of the company work together. Regular training also aids in succession planning, so that when someone leaves the company or earns a promotion, others will be prepared to fill in or take over.

According to the plant manager, the lasting impact of the DB&A engagement is due to the fact that the LL team took ownership of the program and made it their own, creating a corporate culture that embraces and successfully adapts to change.

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.dbareresults.com or email contact@dbareresults.com