



Private Equity client drives operational and financial improvements at acquired global wood manufacturing company

Private Equity holding organization (Client), acquired a Canadian-based global wood manufacturer (Company). The Company has an annual production capacity of approximately 2.5 billion square feet of oriented strand board across four locations throughout Canada.



The DB&A Difference

Analysis Financial Proposal

- Proposed Project Cost: \$1,233,375
- Actual Project Cost: \$1,233,375
- Guaranteed Savings Rate: \$2,088,000
- Annualized Savings Rate: \$2,096,000
- ROI: 1.1:1

DB&A Analysis

After a two-week Analysis, DB&A discovered that front-line supervisors had poorly defined roles and responsibilities and were primarily focused on administrative tasks. They spent only 3% of their time managing employees. Because of a tenured workforce, managers did not believe active supervision was necessary.

The Company's wood products are manufactured in a "single-line production" where each product passes through the same sequence of operations, and the machines and other equipment are laid-out in the order they are used. If the equipment breaks down, the whole line stops. In the critical support area of Maintenance, DB&A discovered that workers were spending time waiting for machines to break-down for repair—then reacting— versus performing preventative maintenance. Also, front-line supervisors in the Maintenance area had few established metrics to drive decisions.

The management culture was well-intentioned and valued hard work, but lacked the understanding of how to manage with accurate metrics and data.

Implementation

One Project Manager and five Consultants worked alongside front-line managers in the Ontario location. The implementation involved DB&A Consultants working on-site for the duration of the project. One-on-one coaching of front-line managers encompasses 85% of DB&A's model. DB&A worked in various areas including Safety, Quality, Shipping, Maintenance, and Production.

DB&A and the Company formed a solid partnership. The Site Manager, Production Manager and Maintenance Managers set expectations and actively engaged with supervisors and team leaders.

“ There is more communication from the floor than ever before, with more meaningful information. ”

- Safety Manager

DB&A provided tools, trained on the tools/system/processes, coached, supported front-line managers, and provided immediate and constructive feedback. DB&A Consultants also helped managers develop key metrics in safety, quality, service and cost that aligned with and supported the operation's goals and strategies. DB&A also helped front-line managers improve product line speeds and press times for optimal production.

By accepting their roles and responsibilities, utilizing metrics, and streamlining processes, managers became more proactive and less reactive. These changes also resulted in a more structured day and a more stable, predictable work environment.

Behavior Changes

DB&A expanded the management team's capabilities and overall capacity leading to the following changes/improvements by Team Leaders:

- Understanding consistent communication is a key to achieving desired results and utilizing area tours to manage employees and performance.

- Improving their ability to set expectations and holding employees accountable for performance.
- Being held accountable for driving improvements within their respective areas, rather than simply being told what to do.
- Using metrics to seek out answers to variances between planned and actual conditions, e.g. line speed, changeovers, mat dumps.
- Actively identifying and taking corrective action to reduce operational and maintenance barriers.
- Developing "Changeover Checklists" to enhance crossgroup communication prior to the actual change over from product to product.
- Increasing changeovers, throughput, and uptime.

Financial Results

DB&A guaranteed annualized savings of \$2.88 million and completed the project with \$2.96 million in actual annualized savings—a savings rate of 107% at project completion.

Culture Shift

DB&A helped the Private Equity Client maximize its investment in the global wood manufacturer's operations by improving the overall management culture to one that is data-driven, knowledge-based, and action-oriented. After a successful project, the Client engaged DB&A at two additional plants.



“ We never really had a process before to document changes made in press recipes and understand why we are making them. Now we do. This helps to ensure that we are making changes based on proven runs. ”

- Lab Technician

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