

Background and Problem

A small metal finishing company had two major customers and had allowed themselves to get into the habit of accepting orders delivered to the backdoor, without any prior warning. At the same time the “customers” were quoting “we can get this done for X elsewhere, so can you do it for Y”. The Company were accepting this method of costing because of lack of time to work out “proper” costs.

They were also pressured on times by the customer i.e. “we need it by tomorrow”. These problems occurred through lack of Management Skills, the inability to say “no”, confidence of the senior partners and “fear” of loosing their customers.

Action Taken

Meetings were arranged with customers to “sell” the concept of more warning = equals better scheduling = better quality = better delivery dates = equals more capacity. At the same time, other customers were identified to alleviate the worry of “no work” and the senior partners were coached & developed in confidence to understand what their actions were doing to both themselves, their company and their workforce i.e. “lost leader” work, low profits for a lot of hard work, daily stress and lack of control over their workforce.

By getting warning from the customers on a weekly basis at first, then monthly of customers requirements, the partners were able to schedule better, control quality, hit delivery dates and still take on more capacity through better working practices and better use of resources.

The Results

Better and more accurate scheduling, better quality of work, a better and more realistic pricing structure and less stressful working conditions. Other plus points included better dialogue with customers, resulting in better customer care, resulting in more orders. The confidence given to the partners has also resulted in more respect from both the customers and the workforce.

The end result is that the company profit margin and turnover have both increased by 200% this year with predictions of doubling again next year. More staff have been recruited and trained to cope with the extra workload.

**If you want to find out more about any of the areas covered in this case study
and how we can support your business – contact us today.**