



Facilitating Business transformation; a PMI Case study

A several-year programme to transform a business, to improve profitability and stimulate sales growth



Process Management International

In 2003, PMI were awarded a contract with a prestigious global company to support global cross-functional improvement projects. Working with the central business team, PMI developed and launched an integrated programme of support and training endorsed by the company's top management team.

As a result of this initial work, the head of the one of the organisation's regions considered that the wider PMI approach to improving the whole organisation would be valuable for his area. In late 2004, after a launch workshop with the region's top management, a 6-month pilot programme was developed to test the validity for their particular circumstances. The success of this led to the ongoing engagement over several years that continues to provide ever-increasing benefits for the company.

This case study focuses specifically upon this region, but should be viewed in the context of one part of an extensive global change programme. Supported by the company's Board, this programme includes central training of key project leadership managers and the support of a Global Programme Office led by the central Business Improvement Manager.

The challenge

The region employs over 750 people in North and South America, with external sales teams out in the field. Their activities cover product development, sales and marketing, manufacture, distribution and after sales service.

The region was generally regarded as under-performing, both in terms of profitability and potential sales revenues, having access to a significant untapped market. Added to that, the whole organisation had an ambitious target of growing sales revenues by 50% in four years. As sales revenues in the region had seen just 4% growth per annum, this needed to be increased considerably to meet the goal. It became obvious that unless they did something radically different the objective would not be met.

PMI's response

PMI was appointed to help bring about a combination of tangible improvements and behavioural changes to help address both the profitability issue and the growth objectives. The CEO outlined the project's targets:

- To make sustainable changes to business operations
- To create improved ways of working that will become standard practice
- To develop a more customer-driven business
- To move from under-performance to one of the most improved sub-business units



The business improvement programme in action

A summary of activity on the region's four main workstreams:

1. Executive Team Support

- Provided thorough training in process improvement tools and techniques
- Developed and implemented the Business Improvement Programme with the Project Team ensuring activity supported objectives
- Coached individual Executive members in sponsoring key projects
- Held a joint Executive Project Leader workshop focusing on people issues, building relationships and change implementation

2. Supporting Key Projects

PMI trained and coached project leaders in designing, planning and running their own projects including:

- Growing the business in a previously untapped geographical area
- Improving margins on a complete product line
- Implementing a lot tracking system to ensure finished goods are used on a 'first in, first out' basis
- Reducing the number of pricing errors
- Optimising the manufacturing and supply chain

3. Developing Skills and Approaches to Process Leadership

PMI worked with the region to raise the capabilities of over 150 of its managers and selected employees by providing training in the basics of process management and improvement. The core of this work is a three-module classroom programme that is integrated with planning, and reviews by delegates' line managers and supported by on-line content for preparation and revision. The latter service is also very helpful for delegates with English as their second language.

Training in project management and facilitation was provided to Green and Black Belt level through customised centrally-organised programmes. This had the advantage of stimulating relationships and cooperation with colleagues across the world.

4. Enabling self-sufficiency

The PMI consultant acted as the Business Improvement Manager until the role could be handed over to an internal appointee. PMI's role was then to coach the new Business Improvement Manager and design ways of engaging the whole organisation. PMI's approach to enabling transferable skills to be retained by the client is key to the whole concept of continuing improvement over the years.

The Industrial USA Growth Project

Traditionally, business for this company had been mainly concentrated in sales regions bordering the Gulf of Mexico and focused on the oil and gas petrochemical markets.

In other areas of the country where different markets prevail, the Industrial side of the business was underperforming. The reasons for this were:

- Weak brand recognition
- A sales program operated primarily by independent contract representatives and distributors
- An insufficient number of distribution sites to adequately support the company's ambitious growth initiative

Because the company determined that growth outside the Gulf of Mexico regions was critical to the future success of the business overall, the Industrial USA Growth Project was born.

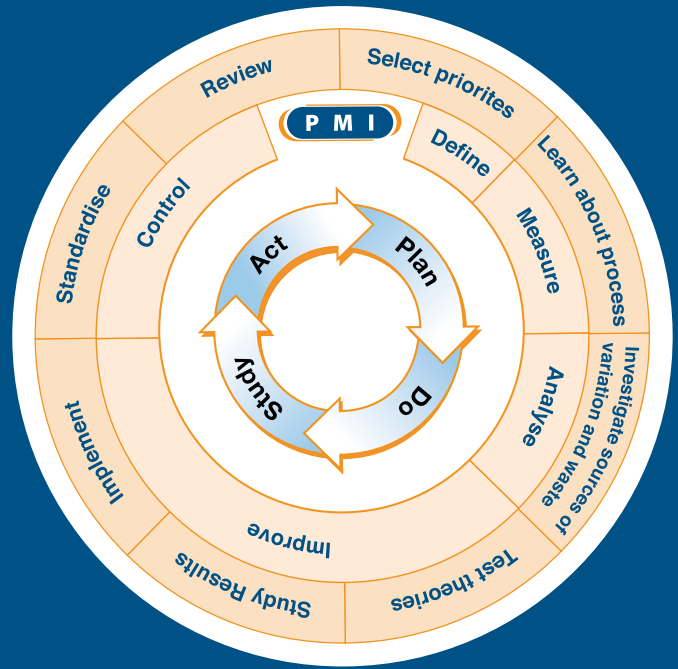
When the project began in January 2005, the company had little knowledge of the Business Improvement process, much less how this methodology could be utilised to meet project goals within prescribed timeframes. To get everyone up to speed, PMI provided the training, expertise and guidance to ensure the project's success. Three years on, the project has been officially closed after successfully delivering numerous processes that enabled the business to achieve its growth targets. Several of the elements devised throughout the project have also been adopted by the company's worldwide business units.



The Industrial USA Growth Project actually defined the model for large growth projects and developed a rigorous, structured project methodology that integrated project management with process review. Using PMI's Improvement Cycle and utilising cross-functional workgroups led by individual Project Team members, we identified the methodologies to address critical requirements for growth:

- Setting up a network of local distribution facilities
- Recruiting, hiring, and training qualified Sales and Engineering personnel
- Improving the specification position of products
- Opening new customer accounts quickly
- Effectively and efficiently managing the sales effort

Naturally there was a degree of resistance to the initiatives in the beginning as they challenged the status quo and introduced changes to standard practice, but through ongoing dedication and effort from members of the Project Team, people came to realise that these processes benefited not only the business overall but themselves as individual employees as well. All employees from the Americas arm of the business were exposed to the elements of Business Improvement, so they are now 'walking the walk as well as talking the talk'.



The Chief Executive;

“When I came on board in 2007 I immediately noticed a difference, a more structured approach and a discipline to the organisation. The programme has been sponsored and led from the top executive management team and we have been delighted to have made this progress by developing our existing employee base rather than recruiting from outside the organisation.

Business Improvement has undoubtedly helped and PMI's input has really helped us. Undoubtedly PMI work with you rather than around you as an organisation.”

The achievements

The region met its ambitious target of 50% increase in sales two years ahead of schedule. Profitability and sales revenues have grown at the desired rate for the business unit, meeting the targets they needed to achieve.

The first phase of business growth was successfully achieved by the Industrial USA Growth Project. The margins on the product line have improved. Support processes such as recruitment and training were developed, enhanced and embedded throughout the Americas business.

Widespread benefits

As testament to the significant role played by business improvement methods the company appointed a Business Improvement Manager and over 20% of employees received 'Manage Process Performance' training. Most employees had some form of awareness training, which not only provides a good base but also ensures everyone talks the same language.

For further information call
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