

Solutions

Management Consultants Ltd

Case Study – PRESSINGS COMPANY

Business Turnaround

The Company

STEEL PRESSINGS FOR THE AUTOMOTIVE AND ENGINEERING SECTORS WITH A COMBINED TURNOVER OF £17 MILLION. PART OF A PLC.



The Business Problem

The Group had three presswork companies, operating on five manufacturing sites, all of which were either marginally profitable or loss making. The brief was to reconstruct the Division, return to profitability, and ultimately sell the division as the businesses were not deemed to be core to the group.

The Solution

EVALUATION OF ALL COMPANIES AND MANUFACTURE CAPABILITIES PRODUCED THREE YEAR BUSINESS WITH ACTION PLAN.

Solutions combined all companies with one management team, renamed the company, reduced to three manufacturing sites, placing common customers to individual site, moved production to most effective production unit, introduced cost down evaluation, and secured additional business with main car component suppliers.

With three separate management teams the first task was to form a divisional board and select the members of that board, this was evaluated by analysing the strengths and weaknesses of the individuals, and their ability to work with each other, we also had to take into consideration with our main customers, as these relationships were vital to the stability of the businesses. After making this evaluation, we could then logically discuss the different merits of each manufacturing site and allocate the best-fit job for each site, also taking into consideration the customer concerned. We could then make a decision on which sites were best to close. Cost reduction was effected with basically a full layer of management being taken out of the cost base.

The new incoming production was given to the sites with the most effective equipment, and facilities.

Renaming the business gave it a new style and concept in the market place,

The Benefits

The outcome was a Division that produced a profit of £1.3million and cash generation of £1.4 million within 12 months of the reconstruction, and was subsequent sold to a larger plc within a three year period.