

Case Study

Growing Margins and Effecting Culture Change

The leadership issue: How to improve margins and change the culture, or sell the business.

Background

Our client, a large Quarrying and Building Products company, was suffering from particularly low margins. The division needed a step change in operating performance. They also wanted to create a platform for a Continuous Improvement programme aimed at long term culture change and new ways of working.

What we found

The organisation and management processes were not structured in such a way as to optimise overall site performance and drive continuous improvement. There had been a siloed cost focus at the expense of margin and value.

What we did

We formed a 'Joint Team' with a select number of people from within the organisation and undertook a full business review to look at the key business levers that influenced both sales and costs. This led to specific targets for volume growth, reduction in operating costs and improved ROCE.

From this, the Executive Steering Group then agreed changes to the organisation, working methods, management processes and supporting Key Performance Indicators. Special events were organised that involved the entire workforce and galvanised them to identify improvement opportunities. This also mobilised the workforce towards actioning a longer term cultural change.

The approach to change was successfully adopted by the organisation and encompassed the following principles:

- ◆ For change to be successful a clear business vision and objectives must be articulated from the top
- ◆ Good communication is integral to the process
- ◆ Management must be focused on clear targets
- ◆ The workforce must own the programme
- ◆ Prioritising actions must be based on business benefits
- ◆ It is important that early wins demonstrates success

A new vision for the business was developed and communicated to the entire workforce, along with a balanced scorecard. We established 'Continuous Improvement Teams', provided training in core change skills, and introduced a daily 'Plan-Do-Review' cycle.

New Commercial and Production roles were created across the business to support the Continuous Improvement culture. Other areas were also subject to change and improvement, including the manufacturing plants, production planning, procurement, shared services and plant performance.

Results

The team delivered a margin improvement worth millions, giving a great return on the investment. The Continuous Improvement Teams have since further improved performance.

“The Curzon approach to change really made a great difference; we had previously tried doing it just top-down but the whole top-down, bottom-up involvement approach advocated by Curzon really worked and has made a big cultural impact.”

**Operations Director
FTSE 100 Mining Company**