



Manufacturing / Industrial Case Study

Business Problem:
EBITDA 50% below Expectations

VERTICAL:  Manufacturing

MARKET:  Industrial

NLP SERVICES:  Strategy Execution

 Lean Transformation

 Talent Management

CLIENT

The company, a \$24 billion global manufacturer, played a vital role in supporting the world's agriculture and construction industries. Internal challenges were hindering growth, with EBITDA significantly below expectations. Specifically, the company faced capacity constraints that limited production rates required to meet market demands. Additionally, significant quality issues impacted customer satisfaction. Lastly, leadership gaps within the organization and a bureaucratic culture resulted in inefficiencies and slowed down decision-making processes.

APPROACH

A comprehensive Lean Transformation strategy was designed to address the company's capacity constraints, quality issues, leadership gaps, and bureaucratic culture. This strategy began with a Strategy Deployment process, establishing a clear 3-year vision for operational excellence. The SDP process identified a breakthrough improvement priority was needed to favorably impact employee engagement which led to the creation of the overall business system approach. This priority led to establishing formal lean initiatives tied to value stream maps for critical sites which improved quality and delivery metrics.

Six pilot sites were selected as launch points for the Lean transformation. At each site, a dedicated team of NLP Practitioners conducted a one-week Lean Leadership Orientation. This included a Value Stream Mapping workshop to diagnose current state

operations and identify improvement opportunities.

A roadmap of high-impact Kaizen events was then developed, focusing on specific challenges like improving productivity, increasing capacity, and enhancing quality. Additionally, Lean Daily

Management practices were implemented to ensure continuous problem-solving and performance improvement throughout the organization.

Beyond the shop floor, Kaizen events were held to address issues in critical business processes like repair, logistics, and quality control. Furthermore, a next generation customer service process was developed to improve customer satisfaction and experience.

To ensure long-term sustainability, a Lean business management system and a dedicated Kaizen promotion office were established to spearhead

APPROACH (CONT.)

global Lean initiatives. A retained search was conducted to fill key senior leadership positions within the company's business system efforts.

Finally, training plans were developed for creating internal subject matter experts (SME) to ensure a strong, sustainable foundation for longer term internal execution and continuous improvement.

RESULTS

- **EBITDA Soared by \$7.8 Million in the first 12 months**
- **Contribution Margin Jumped by \$135 Million in the first 16 months**
- **Over \$20 Million Saved in Year One: Through 169 Kaizen events, the company achieved 7.4x Return on Investment**
- **Savings Continued to Grow by over \$40 Million in Year Two: With 273 Kaizen events conducted, the company achieved 8.6x Return on Investment**