



**Success Story:** Manufacturer Business Turnaround

**Client Classification:** Consumer Goods Company

**Service Category:** Cost Transformation, Operational Strategy, Performance Management

**Situation:**

The client, a vegetable oil company, was experiencing high levels of resource waste and poor quality control. In addition to this they had unstructured selling and marketing efforts coupled with poor collection efforts. Lack of an effective Management Information system led to poor decisions in purchasing, staffing and inventory management.

These factors contributed to overall inefficiencies in the manufacturing, marketing and distribution of their products. Additionally, with the recent lifting of import duties, the market competition was dramatically increased.

**Recommendations:**

- Re-engineer the organization to maximize production efficiency.
- Establish export marketing methodology and rationalize domestic sales efforts.
- Aggressively manage accounts receivable

**Results:**

- Increased labor and plant utilization through better management of production and filling processes.
- Reduced manufacturing costs through higher production throughout using existing resources.
- Enhanced customer service levels through direct sales and service efforts focused on high value customers and dramatically improved “order to delivery” times.
- Improved management decision making through a comprehensive Management Information System and review process.
- Reduced investment in raw materials 40% with an aggressive materials management program.

*Within the year the operation went from a USD loss of \$1,500,000 to a running rate profit of USD \$3,000,000.*

**OFFICE LOCATION**

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