

# A RETURN TO PROFITABILITY: IMPROVING THE SUPPLY CHAIN STRATEGY

A Fortune 500 company requested assistance to improve the profitability of a recently acquired chemical company. The company was previously family-owned and marginally successful in their region. The company lacked a supply chain strategy and standard work in their operations.



## INDUSTRY

Specialties Chemical  
Manufacturer

## SOLUTION AREA

Operational Excellence

## BUSINESS CHALLENGE

Our primary goal was to quickly return the business to profitability. Our business assessment pointed out several challenges:

- The business was not profitable
- They lacked a clear product/customer strategy
- No supply chain strategy
- No standard, repeatable processes in their day-to-day operations

This was a family owned business that lacked standards and a culture of continuous improvement. One of our key deliverables was to improve their ability to identify and improve business processes after we left.

## SOLUTION

- Conducted a site-wide baseline analysis of the company's operations and practices
- Conducted in-depth interviews with the leadership and workforce to understand their business and current challenges
- Evaluated their product line and corresponding inventory strategies
- Performed direct observation of key processes—measuring cycle time and process waste
- Conducted targeted kaizen sessions to improve key operations



## RESULTS

- Returned the business unit to profitability through product rationalization, improved inventory practices and targeted operational improvements
- Identified critical issues with their product portfolio and inventory practices
- Recommended they discontinue the production of several high-volume, commodity product lines and focus on profitable offerings, resulting in an annual savings of over \$300K
- Aligned inventory policies with profitable products, resulting in an annualized savings of over \$100K
- Conducted several Kaizen sessions to improve product changeovers in their Reactor operations—focusing on SMED (Single Minute Exchange of Dies) and Point of Use principles. Also, led a Kaizen to develop a compliant procedure for Confined Space Rescue in their Reactors and storage spaces

**Ready to optimize the transformation of your organization?** We can help.

**REAL BUSINESS CHANGE. FASTER THAN YOU THOUGHT POSSIBLE.**

Our operational problem-solvers bring unmatched industry experience, creative thinking and a collaborative approach to every client engagement. Call us at **973-509-0110 x147** for a private consultation to learn how we can help you with your continuous improvement efforts.