

Sweeping Change for Municipal Vehicle Manufacturer

Client Challenge

To stop years of losses in a US-based \$35m specialist municipal vehicle manufacturer acquired by an international group some years earlier.

The Parrallel Effect

Sales grew by 45%; profit doubled, cash positive. Group invested in new products and then sold the company to a new US management team, achieving a healthy return on original investment.

How We Achieved It

The Pain Diagnostic© identified:

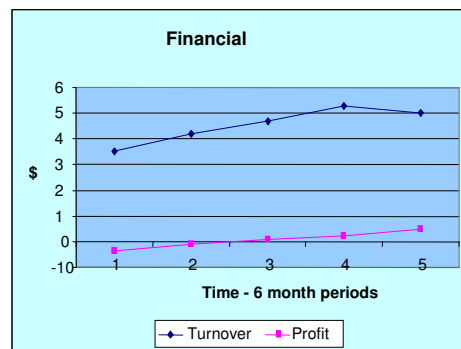
- high sales volatility from over-dependence on few key customers
- high fixed costs
- consistent failure to reach production targets
- unsustainable working capital needs

The Parrallel Consultant devised a short-term plan designed to rebalance sales and costs and reduce the dependency on group cash. The plan included a change management programme based on **Parrallel's 10 Steps for Change**©:

- **Insanity/Face Reality/Take Charge** - costs were immediately reduced and a flatter management structure introduced.
- **Communicate** - plan shared with all staff, unions, suppliers, customers and the group. Open and honest views from everyone were considered.
- **Focus** - daily production targets set and met; new contract negotiated with largest key customer; enlisted sales dealer and supplier support for recovery plan.

The above actions stemmed short-term cash/profit problem and gave the company breathing space to develop a full transformation plan which included lean production techniques and improved quality; a re-designed product range; improved sales and after-market support and continued staff development.

Empowered teams, working at pace to clearly defined plans in a disciplined way and using revised processes completed the change management programme.



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