

Predictive Analytics and Key Mid Management

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Working with Key Mid Management Teams (KMMT), MCA has created opportunities and success to improve profit. Often this team is overlooked by executive leadership, however No One knows a business like its key people. They are the day-to-day drivers of an organization, and their knowledge is a powerful tool for improving productivity, profitability, and valuation.

Below are results from our Predictive Analytics and KMMT- “10 Hour Turnarounds” during the past few years. Working with Key Mid Management multiple unique areas of improvement are identified:

1. During a seminar a team submitted a Purchase Order every month for \$270,000. Upon critical analysis, the Team was able to renegotiate a Net expense reduction of \$1.2Million/yr. We also worked to improve profit through sustainability metrics. Sustainability allowed us to add a few thousand dollars of profit/year on recycling of plant materials. Expense Reduction with Profit Improvement a benefit on both ends. The executive leadership not realizing the impact of a “middleman” on their profitability. The financial impact was unforeseen over \$20ml/yr throughout their organization was being spent each year on this material.
2. Inventory issues- Ranked 76 of 80 not a good metric for portion of a business: While working with a client it was discovered the daily inventory of “raw materials” approx. 20 different raw materials were off by over 30% daily. From the get-go this organization was in trouble. If the intake of raw material was off by 30%, the output COGS ect must be exorbitant. Initial focus w KMMT was to address the engineering of the facility, examining blueprints remeasuring of 20+ storage containers, and examining the raw materials through the entire process flow. While on assignment with a nationwide organization, MCA and KMMT were tasked with resolving inventory issues. On this metric the plant was ranked 76 out of 80 due to inventory issues. The raw materials are impacted by humidity and temperature therefore affecting density of the raw materials. Through the course of the year, random density samples were taken for seasonal changes thus identifying another area raw material variance. Once solutions were implemented, the plant was 4/80 that’s one heck of a turnaround! This situation was continually discussed by executives however they never offered solutions. Leveraging the Manager, EHS manager, Quality Management, Senior Maintenance Management, and Procurement this KMMT solved the issue, not executive leadership. Executive leadership offered new

spreadsheets to track data, not resolution to the problem. Highlighting the dedication of the KMMT in resolving the issue.

3. Production process of the Raw Materials: examining the process flow of the raw materials with the team led to the discovery of lost product. During production runs significant product was being lost during the production flow. With KMMT able to repurpose the raw fine material back into the production flow. Saving money, improving sustainability and efficiency.
4. Technology is great when optimized. Robots offer a lot, however, that does not always indicate efficiency. Most organizations struggle to understand the full capability of the technology being purchased. A capital investment such as this requires a focus on output to achieve ROI. Within one organization MCA with the KMMT was able to identify the lack of efficiency both with process and consumables used by the technology. Working with engineers and the manufacturer the overall efficiency improved 700%. For three years the technology was not implemented correctly for its application. This was costing the organization the upfront cost of robot plus the inefficient use of the consumables the robot requires for operation. How do you think 700% increase impacts your bottom line?
5. Supply Chain: this aspect of business is/was impacted substantially since the COVID era. Right before COVID, I was working with a team who had been experiencing supply chain issues. As we dove into this and with historical knowledge of economic swings, we determined to own the supply chain before the supply chain owns the business. We diversified our sources. Being ahead of the supply chain shortfall that occurred resulted in significant profits due to the COVID demand bubble. The organization did not experience supply shortages. This also established the organization as one of the largest customers of nationwide suppliers. This helped foster a secure working relationship with the supply chain component of the business. Key to this was the identification of essential needs by the KMMT and focused solutions before the problem arises. Hence identifying an Early Warning Signal.

To summarize how MCA and your Key Mid Management Team can make a difference:

In one division of your organization, The Key Mid Management Team, discovers a \$1.2 million expense reduction. Think of the impact \$1.2 million has on your profit, the impact on your valuation. This savings is instant profit. It wasn't that they discovered the \$1.2 million. It is the Key Mid Management Team developed a Profit-Improvement mindset from our seminars. This intellectual property will improve your organization. Profit Improvement cognition is an intellectual property. Like learning your ABC's. After 5 decades of Turnarounds and Profit Improvement, Management Consulting Alliance understands the

impact and importance of smart, knowledgeable Key Mid Management Team and the augmentation they bring to your business valuation.

Our program is Fee Risk Free, We don't get paid if we can't find Profit Improvement

Profit Counts Profit Improvement Counts More