

## CLIENT

HARDWOOD LUMBER SAWMILL AND CONCENTRATION YARD (DRYING AND SURFACING OPERATIONS).

## COMPANY PROFILE

WEST MICHIGAN COMPANY

\$35 MILLION ANNUAL REVENUES

66 EMPLOYEES

35 DRYING KILNS

LARGE CAPACITY BAND-TYPE SAWMILL HEADRIG

## CHALLENGE

THE CHALLENGES INCLUDED THE NECESSITY TO CHANGE THE CULTURE AND MINDSET OF THE WORKFORCE, ESTABLISH PROCESSES AND PROCEDURES CONDUCIVE TO OPERATIONAL EFFICIENCY, EXPANSION OF ITS MARKETPLACE, PROCUREMENT OF EXCELLENT QUALITY TIMBER, AND THE ACQUISITION OF MACHINERY AND EQUIPMENT THAT WOULD PRODUCE QUALITY PRODUCTS.

## FINDINGS

THE COMPANY, WHICH WAS INSOLVENT AND ON THE BRINK OF BANKRUPTCY, HAD BEEN RECENTLY ACQUIRED BY A LOCAL VENTURE CAPITAL GROUP THAT ASSUMED DAY TO DAY OPERATIONAL CONTROL. THE CULTURE OF THE SALES, ADMINISTRATION, AND THE LABOR FORCE WAS PATTERNED AFTER THE FAILED PREVIOUS MANAGEMENT PHILOSOPHIES, BUT IN THE PROCESS OF BEING CHANGED IN A MANNER THAT WOULD CREATE A TEAM MINDSET TOWARD PROFITABILITY.

## RESULTS

THE COMPANY'S CULTURE WAS CHANGED IN A POSITIVE MANNER, AND NEW MACHINERY WAS ACQUIRED THAT ENABLED IT TO EXPAND ITS CAPACITY AND PRODUCT OFFERINGS. THE ADDITION OF WOOD-FUELED BOILERS FOR KILN HEATING SIGNIFICANTLY REDUCED UTILITY COSTS. YIELDS OF THE HIGHEST GRADE LUMBER IMPROVED DRAMATICALLY, AND RECOVERY OF BYPRODUCTS SUCH AS CHIPS, BARK, AND SAWDUST THROUGH SALES TO END USERS CONTRIBUTED TO THE COMPANY'S PROFITABILITY. REPORTING OF SIGNIFICANT METRICS ON SEPARATELY IDENTIFIABLE BUSINESS SEGMENTS WAS DEVELOPED AND UTILIZED TO MAKE OR VALIDATE MANAGEMENT DECISIONS. THE COMPANY SHOWED CONSISTENT PROFITABILITY IN ALL SEGMENTS. EVENTUALLY, THE VARIOUS SEGMENTS OF THE BUSINESS WERE SOLD TO STRATEGIC BUYERS AS THE VENTURE CAPITAL GROUP WAS DETERMINED TO RECOVER ITS INVESTMENT AND REALIZE ITS GAINS.



### NOTES:

THE PREVIOUS CASE STUDY WAS DERIVED FROM ACTUAL ENGAGEMENTS IN WHICH LEVEL TEN PROFESSIONALS WERE ACTIVELY INVOLVED OVER THE COURSE OF THEIR CONSULTING CAREERS. THE LEVEL TEN PROFESSIONAL IS REFERRED TO AS "THE CONSULTANT". THE NAMES AND OTHER CONFIDENTIAL INFORMATION ARE NOT DISCLOSED.