

CLIENT

LUMBER MANUFACTURING AND DISTRIBUTION ENTERPRISE.

COMPANY PROFILE

A PRIVATELY-OWNED CANADIAN COMPANY LOCATED NEAR TORONTO

APPROXIMATELY \$100 MILLION ANNUAL REVENUE

185 EMPLOYEES

CHALLENGE

THIS COMPANY HAD RECENTLY PURCHASED A SOFTWARE PACKAGE THAT WOULD ASSIST WITH MANAGEMENT OF ITS INVENTORIES AND PRODUCTION. THE SOFTWARE SUPPORT HAD NOT BEEN ADEQUATE FROM ITS SUPPLIER, AND THE CONTINUED OPERATIONS WITHOUT A SYSTEM OF METRICS FROM WHICH TO MAKE SIGNIFICANT MANAGEMENT DECISIONS CAUSED LARGE OPERATING AND CASH FLOW LOSSES.

FINDINGS

THE LUMBER OPERATIONS MANAGEMENT SOFTWARE WAS IMPROPERLY CONFIGURED FOR THE COMPANY'S SPECIFIC TYPE OF MANUFACTURING AND DISTRIBUTION, AND PRODUCT PRICING WAS BEING MADE BY SALES PERSONNEL WITHOUT KNOWLEDGE OR REGARD TO THE ACTUAL COSTS INCURRED. IN ADDITION, THE PHYSICAL FLOW OF PRODUCT THROUGH THE COMPANY'S PROCESSES WAS INEFFICIENT, RESULTING IN HIGH INCREMENTAL COSTS AND NET OPERATING LOSSES.

RESULTS

THE CONSULTANT DEVELOPED INTERIM WORK-AROUND SPREADSHEETS SO THAT PROPER COSTING WOULD BE AVAILABLE TO DRIVE PRICING, INVENTORY STOCKING LEVELS, AND STRATEGIC DECISION MAKING. THE OPERATIONS PROCESSES WERE STREAMLINED, PRODUCING HIGHER QUALITY PRODUCT WITH GREATER YIELDS. THE CONSULTANT WORKED WITH THE SOFTWARE SUPPLIER TO DEVELOP CERTAIN CUSTOMIZATION SO THAT THE SOFTWARE WOULD BETTER ACCOMMODATE THE COMPANY'S PROCESSES, RATHER THAN MODIFY THE PROCESSES IN ORDER TO CONFORM TO THE SOFTWARE'S LIMITATIONS.

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.

