



# CASE STUDY

## Interim Management - Restructure

### INTRODUCTION

A mechanical engineering company with a 47 million Euro turnover and almost 200 employees faced a pivotal juncture with the departure of its Managing Director. Over a span of 10.5 months, the organization embarked on a strategic restructuring program to address challenges in delivery, quality, operational efficiency, and adaptability within an evolving industry.

### COMPANY SCENARIO

#### Mission/Objective:

- Leadership Transition: Swift replacement of the departing Managing Director.
- Restructuring: Reduce costs and capital commitment, streamline personnel structure.
- Process Enhancement: Re-engineer production and sales processes.

#### Immediate Measures:

- Transparency: Revealed financial status and developed a restructuring plan.
- Optimization: Launched a program for purchasing optimization and error elimination.
- Task Forces: Formed interdisciplinary teams and a war room to address quality issues.

### BUSINESS CHALLENGE

#### Causes of Problems

The company's one-sided technology focus led to complexity, faulty documentation, and a decline in quality awareness. The design department struggled to collaborate effectively.

### SOLUTION

- Quality Offensive: Improved delivery quality and service.
- Learning Feedback: Anchored information feedback from after-sales events.
- Process Redesign: Created productive interfaces, streamlined order fulfillment.
- Training: Enhanced sales department understanding of customer applications.
- Digitalization: Initiated improved service structure and laid the foundation for after-sales digitization

### OUTCOMES

#### CHALLENGES

These global leaders in mechanical engineering faced a crisis as machine delivery quality declined and influenced deteriorating sales disciplines and strained dealer relationships. The unexpected departure of the Managing Director worsened the situation amid a looming post-COVID orders slump.

#### RESULTS

- Cost Structure: Achieved sustainable 20% productivity increase.
- Material Prices: Reduced by more than 5%, reorganized gross margin through adjusted pricing.
- Cultural Shift: Initiated a high performance organization mindset.
- Order Intake: Restored dealer confidence, leading to a strong increase in orders.
- Financial Turnaround: Converted negative EBIT into positive.

**“1stly, Interim Managers Transform”**

#### NEXT STEPS

To understand the value that Interim Managers can bring to your organisation globally call Andrew on +61 438 074 774 or email [athoseby@1stexecutive.com.au](mailto:athoseby@1stexecutive.com.au)