

***If we knew what is already there, there would be no need for research and analysis.***

**– Lailah Gifty Akita, Think Great: Be Great!**

**AMEND**

Changing Lives. Transforming Businesses.

[www.amendllc.com](http://www.amendllc.com)

## Challenge. Connect. *Learn.*

The Metalworking Group leadership team was facing a pretty typical business challenge – top line numbers were up but profits were flat or slightly down. They were selling more and more, but didn't have any extra money to show for their extra work.

The owner, being an operations-minded kind of guy, knew what to do. Put in initiatives to drive the shop floor towards 100% efficiency. *Optimize. Optimize. Optimize.* Surely it had to be a cost problem since sales were increasing and profits weren't – right!?!

Not quite.

Turns out, there was more at play than any one member of the leadership team could see.

The owner saw the results of the problem – that sales were up and profits were flat. The Vice President of Operations saw that operations were pretty tight, efficiency was already pretty high. He was wrestling with direct and indirect labor costs, and if more people needed to be added to cover the ever increasing number of jobs. The Vice President of Sales was already pushing his sales team hard, and he found himself wondering if they had more to give.

**The bottom line: everyone had a gut feeling about what was going on but no one knew for sure what was really driving profitability.**

It was the perfect time to call AMEND. The MWG leadership team knew AMEND's analysts would work with them to uncover the biggest drivers of profitability.

And they were right! In just a couple of weeks they had the answers they needed to fix their profit problems.

***I was impressed with how quickly the AMEND Team was able to get up-to-speed on our business.*** *It's very complex, but they got in here and got to it – no problem.*

***They helped us know the exact actions to take every day to drive profitability.*** *They even built a customized scheduling tool to keep us focused on the things that matter most to our bottom line.*

***It's great to know exactly what we need to do every day to achieve our goals.***

Mike Schmitt, President & Owner  
The Metalworking Group

## Understand. Implement. *Make More Money.*

Analysis revealed several important learnings:

- 1) It showed many factors MWG's leaders believed were important – things like direct and indirect labor costs, increased sales, and improved efficiency had little to no connection to profits.
- 2) It proved operations were already optimized and pushing efficiency any further would likely change nothing.
- 3) It uncovered the main cause of the profit problem – overhead was growing faster than sales. Yes, the sales team was selling more (as in the number of jobs was increasing) *BUT* this increase was coming from the sale of smaller, less profitable jobs. Turns out these smaller jobs required a higher level of support and these additional costs were not being properly factored into the sale price. Net: they were selling more and losing money!

***The Metalworking Group leaders had addressed the problem as best they could with the information they had at their fingertips.***

***We helped them access a whole different layer of information about their business that was locked up in their data. They knew exactly what to do after that!***

Matt Murphy  
AMEND Analytics Project Leader

Armed with this new knowledge, the MWG leadership team took immediate action.

They moved from a cost-cutting-optimize-operations-minded team focused on driving the shop floor to 100% efficiency, to a leadership team focused on the three main drivers of profitability for their business – *efficient operations, accurate estimations, and increased sales.*

**Sales are up. Profits are up. And every day, everyone knows exactly what they need to do to keep it up.**

*This is a competitive space where price and service both matter, and customers rise and fall fast. We needed an edge, an advantage. Analytics was the answer.*

Bobby Smyth  
Partner, AMEND Consulting

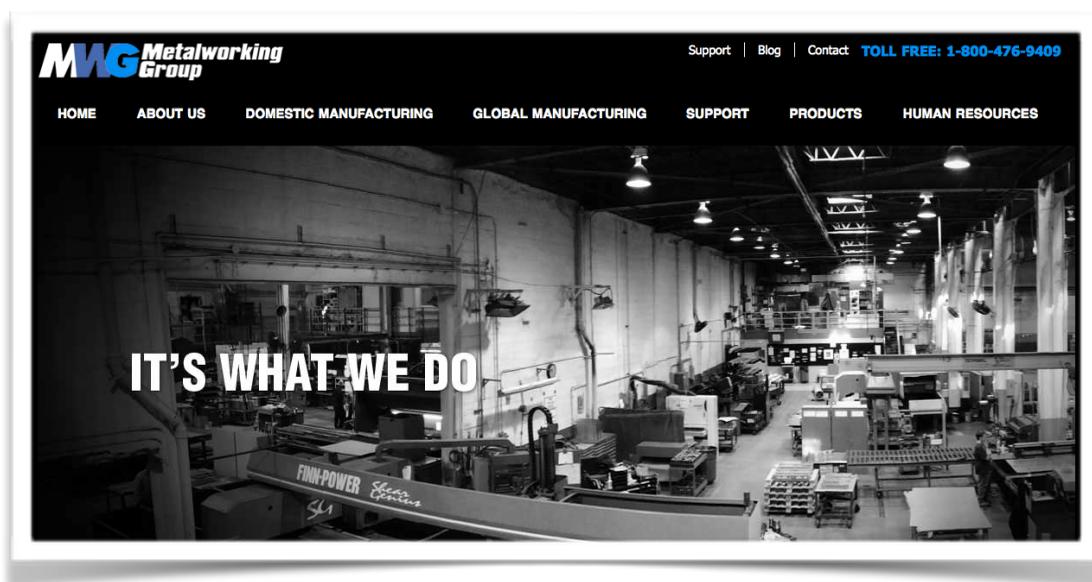
# > Metalworking Group

## [2015] Consulting and Analytics Services to Drive Significant Lead Time Reductions, Better Scheduling and Capacity Planning, and Change Notice Streamlining

Our consulting and analytics team helped leadership see the challenges and the solutions. Working together, we improved their overall performance so they can handle **10x the amount** of current quote work, **reduced the headcount required** to meet all goals, and removed the change notice bottleneck from the engineering department.

*"AMEND was able to develop a process and scheduling tool that models actual capacity in real-time to accurately predict and solve bottlenecks, improve labor utilization, decrease overtime, AND improve deliveries and information access."*

Mike Schmitt  
President



# > Metalworking Group

## [2016] Interim Leadership and Analytics Work To Significantly Improve Profitability

Our interim leadership and analytics solutions helped MWG transform their HOW. *How* they process orders. *How* they plan. *How* they schedule. *How* they deliver. All to ensure their extra work always adds up to extra profits.

*"I was impressed with how quickly the AMEND Team was able to get up-to-speed on our business. AMEND helped us know the exact actions to take every day to drive profitability, AND they gave me the time to find the absolute best person to be my next VP of Operations.*

*Leading this change was much less stressful and much more successful because of AMEND."*

Mike Schmitt  
President

