

A long, multi-span bridge with numerous concrete piers stretches across a wide body of water. The scene is captured at sunset or dusk, with a warm orange and yellow glow on the horizon and a dark, cloudy sky above. The bridge's lights are visible, and the water reflects the ambient light.

COLTIVAR

STRATEGY | ANALYTICS | FINANCE

Strategic-Powered Growth

Coltivar Group Restructures
Operating Model to Enhance
Company Alignment and
Work Coordination

Client Profile

Our client is a mid-sized electrical firm based in upstate New York. The family-owned and operated company expanded from \$2 million and 7 employees in 1965 to a multinational firm of 167 employees and \$55 million in revenue. The company has experienced tremendous revenue growth in the last four years. The company quickly discovered that the downside of rapid, poorly-coordinated expansion, however, was brand dilution.

Opportunity

In the midst of a devastating skilled labor shortage, the company was overwhelmed by extensive growth. While a healthy backlog was a welcome alternative to the company's recession struggles, employees began to wallow in the excessive workload. Processes that once had worked began to break-down.

Employee retention escalated as over-worked laborers sought solace in a more organized, less demanding atmosphere. Customer satisfaction dwindled due to frequent job delays.

Historically, executive management conducted internal strategic planning. With the positive market outlook, organizational strategy took a backseat to growth.

The company quickly realized that in order to maintain its reputation and its workforce, strategic restructuring was crucial. Management selected Coltivar Group to support organizational realignment efforts.

In order to sustain growth, the company needed to streamline processes to effectively manage labor constraints. Coltivar wanted to ensure that resources were allocated to the most critical areas of the business.

The first step entailed an intensive look at the current operating model. Coltivar evaluated the company's structure, control systems, governance, and capabilities to bridge the gap between vision and implementation.

Coltivar discovered that the company's vision for large scale expansion was primarily inhibited by its muddled work coordination strategy.

The company was attempting to integrate its small business direct supervision into a large culture. This created unnecessary layers of management resulting in excessive G&A expenses. In addition, the company lacked role definition. Executives were fulfilling duties that could be achieved by the support staff. The operating core completed tasks that overlapped with other departments, causing work duplication. In order to survive the growth, the company had to redesign its workflow and restructure its operating model.

Solution

Coltivar studied the company's current strategy. The company's issue was not in strategy design, but rather implementation.

To strengthen execution capabilities, Coltivar converted the organizational strategy into departmental strategies. Human capital was allocated into different departments based on capabilities and duties rather than strictly their job titles.

Through defining individual positions and increasing team interaction, the firm enhanced communication and accountability. For example, estimating and project managers each had their set responsibilities but operated within a structure to increase collaboration during the bidding process. The initial interplay between the departments reduced the number of change orders during the project. Business development efforts were measured and coordinated through the standardization of output. This increased both the bid win ratio and profitability.

Additionally, Coltivar reconfigured the company's system of governance and control systems. While direct supervision was necessary in certain areas of the business, resource management required a shift to standardization. This was achieved through technology

adoption and extensive employee development. Rather than strictly reporting to the limited staff members (encouraging a command and control culture), employees were trained on a stringent QAQC program.

Outdated policies and ineffective processes were reworked to ensure the company was operating at peak efficiency.

Results

Through redesigning the operating model, the company has reduced G&A costs by 35%. Employee turnover has been reduced by 70%. Employees report low stress levels and high understanding of their roles in the organization. Customer satisfaction is at a record high as 92% of customers report that the company "met or exceeded their goals."

About Coltivar

We are management consultants who help our clients leverage strategy, finance, and innovation to sustain a competitive advantage. We apply our expertise in strategy to help forward-looking companies capture profitable growth. By identifying strong processes, we enable organizations to employ repeatable steps to create value. We believe that a great business strengthens the people within it and the community where it operates.

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