

## *Strengthened by a crisis*

Back on track towards profitability through rigorous focus on in-house strengths and selective exploitations of opportunities.



An unexpected slump in turnover in the telecommunications sector and neglected investments in specific areas of production combined to trigger a cost spiral. Thanks to rigorous reengineering of production processes, elimination of operational soft spots, plus a sharp focus on attractive business opportunities, the negative trend was reversed.

### The Client

- HUBER + SUHNER AG, Herisau, Switzerland
- Business Unit Polymer Components (plastic injection moulding plant, rubber and polymer extrusion)

### The Objective

- Identify and exploit operational and strategic profit leverage potentials, thereby sustainably securing prosperity for the company

### The Solution

- Marketing and sales efforts to be concentrated on newly defined core business sectors
- Gradual, but controlled, withdrawal from unattractive segments
- Investments to be made in production processes, plus strategic products and technologies
- Mobilise human resources potentials and form a team with the determination to return the BU to profitability

### The Client Benefit

- By breaking down overheads, it was demonstrated in detail, which sectors were generating profit or loss (full absorption costing). This analysis also highlighted which processes were operating smoothly or vice versa, and which operational potentials should be exploited.
- Markets and products being canvassed were segmented and positioned in terms of market attractiveness and competitiveness. Based on this assessment, an individual strategy as a guideline for future investments/divestments, was established for each segment.
- Implementation projects, defined in a masterplan, with clear deadline and resource frameworks, allow correctly prioritised realisation of all necessary measures, in order to return to profitability.
- Employees are supportive in jointly facing the challenge and achieving the objective. Thanks to outstanding efforts, the negative trend was reversed in just six months.