Case Study 1106

Chemical Manufacturer

A national chemical manufacturing company comprised of two distinct operating divisions wanted to improve its cash flow and profitability. The company engaged NorthStar Management to assist it in this effort in part based upon a referral from a similar company that did not have any competing product lines. The company took a cautious approach to the project limiting the initial engagement to only one division and the project scope to a small number of overhead items.

NorthStar began assessing these items using its Strategic Overhead Reduction Tools (SORT) to identify opportunities for cash flow and profit improvement. After ten weeks of assessments, comparisons using its knowledgebase, and computer modeling, NorthStar identified several significant opportunities for the manufacturer. Top management for the company accepted all of the proposals during the review meeting and instructed NorthStar to proceed. Within the next eight weeks the company reduced the agreed upon overhead items by 18%. This was accomplished without any disruptions to the operations or the layoff of any employees. In fact, no one outside of the senior management team was even aware of the unusual effort.

The company then engaged NorthStar to execute a SORT assessment for the balance of the first division and in total for the second division. This expanded engagement yielded even greater results.