



Methodological data collection increases order volume

Light in the fog bank

The reserved demand in the building trade caused many companies to reduce the number of their employees. What sounds sensible at first glance, turns out to be a catastrophe after more detailed analysis. The value added achieved with the remaining staff is not sufficient to meet the unchanged costs. Potential consulting showed in a Rhenish craftsman's enterprise how you can achieve a better operating profit with more employees despite declining economic activity.

In spite of high performance quality and reliable delivery scheduling Holzbau Küppers GmbH in Geilenkirchen, family-owned for three generations, had to put up with losses in turnover owing to the unsatisfactory economic situation in the last years. The sole shareholder Johannes Küppers was obliged to dismiss some of his employees. But the presumed rescue operation did not bring the desired success. On the contrary: The operating result decreased further. In this situation the master craftsman made use of potential consulting.

In-Depth Analysis

The business economist Rolf T. Kelter from Kreuzau was responsible for the performance of the potential consulting. The experienced management consultant

knew: Cost reductions can usually not be made to a necessary degree. So you have to look for possibilities to increase the value added of the business. Manager Johannes Küppers: „Up to that point I was convinced: I have to dismiss people when I haven't got enough work. But the potential consulting asked: Why haven't I got enough business?“ A first analysis showed that in the section ‚roof trusses‘ a lot of quotations had to be made to get an order. The back-calculation of the quoted prices to the expected value added per working hour came to a value that can only be realised in exceptional cases these days, as the market has a lot more craftsman's businesses nowadays compared to ten years ago. In other words: the calculated prices are too high, the order potential is not fully exhausted. Johannes Küppers: „The expertise of the potential consulting has shown by detailed budget calculations how many orders with what value added we have to work on to at least cover the fixed costs.“ The mutual conclusion of entrepreneur and consultant: The business must – and can – employ more people.

Computer Supported Information System

The expansion of the business capacities was carried out step by step; by now three more people have been employed to strengthen the team. Combined

¹ Küppers Timber Builders Ltd.



with a short-term changed price policy and intensified customer contacts the structural interventions soon led to a larger order volume. With the introduction of a computer-supported information system the analysis instruments of the potential consulting have been installed permanently in the business. Itemised by all sections of the business – carpentry, timber construction, beam construction, framehouses – simple calculation programmes continuously document any deviations from the planned activity level, from the planned average value added per working hour and from the planned costs. Rolf T. Kelter, before a leading executive in an industrial enterprise for many years: “Methodological data collection is a must in such enterprises, there should be no ‘fog banks’ there. But value added per hour is also a reliable criterion in a craftsman’s business for steering capacities into customer segments where more money can be made and for running the business successfully in inferior economic situations.”

The example ‘Küppers’ shows that the method makes sense: One year after the realisation of the strategy the business is in the black again. The manager: “What has astounded me in particular is that the target value, that we worked out together with the changed price policy, has been realised exactly.” A qualified

employee now does all the work with the information system independently. “It isn’t really such an effort” Küppers says, “it is important to keep it up to date. But we do that if only because the tax consultant, who does our accounting, also gets the data. His monthly evaluation is almost like an interim balance. That way I can see in short intervals where I stand and where I have to countersteer if necessary. But at present we are on the right track.”

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