

An international supplier of mineral processing technology (MD Mineral Technologies) had been underperforming for some time. The profits being shown by the company were sliding, and in 1996 were at an all time low of just a few percent. The company had been founded many years earlier on the basis of innovative technology developed by a group of engineers from one of the world's leading mineral research centers.

The earlier competitive advantage of the technological capabilities of the company was being seriously challenged by other companies operating globally, even though these companies were providing technology that was not as innovative. The fact was, the other companies were focusing on the business and the customer and getting these relationships right instead of pondering how to make the technology better.

At this time, an experienced General Manager took over the role of CEO of the company. Soon after, he called me in to talk about the issues within the business and what to do about them. He had decided it would be very appropriate to start with a management focusing exercise in order to gather his management team's perceptions of where the business should be going and how it should get there. By doing this, he would be able to develop an agreed focus for the business, which would unite the management team.

Using 80/20 techniques in a one day management workshop, we were able to get the managers to agree a focus for the business. It was a very simple formula:

- Focus the majority of the sales and development resources on the most attractive business in just a couple of product groups, rather than trying to move all of them forward at the same time.
- Reduce the lead time for design and manufacture of these specific products by simplifying the technical analysis stages, to ensure the products' contribution to overall profit was maximized.
- Increase the price of these products in order to compete at the top end of the market, with an image as a credible and trusted supplier.

The outcome of this simple focus was astounding. In the financial year following this exercise,

the company increased its bottom line several hundred percent. Its stellar performance allowed it to move into attractive new premises; the whole business team reacted with enthusiasm to their new found performance and they continued this growth. The performance of this business was noted by an international resource company who succeeded in purchasing it as a new star in their portfolio.

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