James Hardie and Coy (Qld), a division of international conglomerate James Hardie Industries Ltd, was under performing and in 1993 was in danger of being closed or sold. In the mid 1980s it had been the subject of a significant "greening" campaign, and its core technology was modified to make its products more environmentally friendly. Unfortunately, the pre-green performance of a couple of the products was never regained, which sapped the morale of the sales force. So, the State Manager decided to undertake some market research in the hope of finding new marketing and sales approaches and product opportunities for the division.

The results of the market research, performed by a very reputable major consulting firm, suggested some of the market segments contained new opportunities while others were becoming highly competitive, with lower prices being offered by other companies. While the research was comprehensive, there were many results to consider and many options available. It all seemed pretty complex and the management had to decide where to start and how to translate any changes in marketing and sales to changes in operations.

We were asked to review the market research and to suggest how it might be used to improve the performance of the business unit. The first objective was to try to simplify the way the consultants had expressed their results. It was a big report with many results, but they had not made the priorities easy to understand.

The pages of results were transformed into a simple table of the relative attractiveness of the various product groups. It was clear some product groups were very attractive while others were costing the business considerable money. There were opportunities to compete very effectively against some traditional competitors if the division could regain some of the performance it had lost in its larger products as a result of the technology greening.

Naturally, the management team had difficulty in accepting these changes and could not readily agree on just what do to. Meanwhile, the corporate head office had them in their sights. The State Manager made a decision to introduce a quality management regime but, in contrast with the typical approach at the time, he focused the quality program using a simple strategic focusing method rather than a full blown strategic planning process. The strategic focusing would use the market research as input and generate management support for a few priorities that could be implemented in a period of months rather than years. This allowed the "plan" to be updated regularly, even quarterly, with very few management resources.

The division reduced the number of market segments it was addressing and simultaneously improved production for the few key products that had not received attention for many years. It increased its bottom line to make the hurdle rate in 1994 and went on to achieve star status in new US markets by 2000. This is an amazing success story for a business unit on the verge of being closed or sold by head office.

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