

Guilford Group Case Study



Mather & Platt Fire Systems, Ltd. Business Process Redesign

Mather & Platt is a leader in automatic fire protection and detection systems undertaking turnkey projects for large installations in hazardous industrial environments such as power, oil, and gas; petrochemicals; ports sectors; and high-rise buildings.

Overview

The company was in dire straits with losses over \$5M for over two years and rising and negative cash flows. Mather & Platt was acquired by new investors at a premium of 30% over its traded price within two years after operations turned profitable with ROE of 38% and growth of 35% projected over next two years with positive cash flows.

- Oversaw all business activities, recasting company in fiercely competitive environment and improved previous decline in market loss, poor morale, and cash flow difficulties.
- Achieved proactive customer interfacing with more efficient responses and actions, reduced response time from 2 weeks to 48 hours with tracking of commitments. Improved timely material delivery to project sites.
- Updated costing using current data with contribution analysis. Negotiated lower costs with vendors by emphasizing marginal costs and concept of partnership
- Closed old jobs that had been stagnant, cleared collectables and liquidated inventories – this increased cash flow and goodwill
- Created 'manufactured products' as distinct profit center to supply proprietary products to all players in the industry. Promoted this unit in trade exhibitions and customer events.

