



Gaining Profile

Is it acceptable for a chief operating officer to stare out of the window while he is at work? Of course it is, even though the working day of Hans Herpoel, COO of Profine GmbH, is planned down to the minutest detail. The qualified engineer allows himself this luxury for good reason. His company manufactures the profiles from which modern plastic windows are produced. Since the company was restructured with the help of Porsche Consulting, it is now again looking far ahead into the future.

By: Elmar Brümmer, Photos by: Mathias Hangst



From a purely technical point of view, the people at HT Troplast, which combines three global brands (KBE, Kömmerling and Trocal) under the umbrella of Profine GmbH, are experts when it comes to profiles. In order to provide this company, which was beleaguered at the start of 2005, with the new profile that the new owners wanted and a boost in efficiency associated with this, Hans Herpoel no longer wanted to rely solely on industry expertise. “We needed atypical solutions which still live up to our claim to be the ‘best in the class’.”

Porsche Consulting was then invited to Pirmasens for a “screening session.” Ten intensive workshop hours which allowed both of the future partners to gain an overall perspective. The consultants quickly recognized that the Profine Group’s three sites in Germany (Pir-



Herpoel (center) and his comrades: Top service provider for the best

masens, Berlin, and Troisdorf) were virtually in competition with one another, that over many years the decision-making process within the company had been stifled, and that occasionally the necessary transparency, flexibility and productivity was lacking. In turn, Herpoel and his colleagues, who wanted to know in particular how a group of management consultants from the automotive sector would deal with the problems, immediately came to grips with the philosophy practiced by Porsche Con-

sulting: “We were well aware that our problems could not be alleviated just by adopting academic theories. Beyond analysis, action was actually taken, and was taken immediately. Despite the quick wins which were highlighted, there was a discernible structure. Lots of improvements ran parallel with one another.”

After just nine months of the working relationship, Gerhard Sommerer, chief executive office of Profine, was able to take stock: “For me, our successful turnaround also represents a chapter in the success story of Germany as a place to do business. It shows that here in Germany, with the good will of all parties involved, it is indeed possible to manufacture products profitably.” With annual sales of €722 million, Profine’s result at the end of 2005 was again much better than it had been in the previous year (694 million). But it was not just the result that received a boost, but also the company’s self-confidence as profitability grew. By 2007, according to the ambitious approach adopted by Porsche Consulting, the goal was to save €20 million—and all the signs so far are that this target will have been achieved, since by the start of 2006 a large share of the potential had already been realized cost-effectively. During the peak phase of the restructuring measures, eight consultants were employed at Profine. The specification of requirements expressed a desire for

- optimization of the entire supply chain
- technology benchmarking
- optimization of the quality

Implementation involved more than just the unavoidable job cuts. In return for more flexible regulation of working hours, the remaining workers were given the assurance that their jobs would be safe until 2010. A plant vision was developed for each German site—this is because, equally as important as the potential to make savings, Profine also wanted to see an investment plan ▶



(Key) facts and figures: There is now a full perspective in production at Profine



New profile for Profine: Productivity has been increased by 20 percent

in place to ensure that the company remain competitive. The improvements which were translated from site to site in Germany are now successfully being transferred abroad. The reduction in costs has led to a Continuous Improvement Process (CIP). Porsche Consulting is already extending to an institutional CIP organization and two task forces. The interdisciplinary teams are made up of five or six Profine employees, who define the key figures for their own divisions and perform checks to ensure they are complied with.

Porsche Consulting launched the projects of lean production, lean logistics, technology, quality and delivery service. The fact that the consultants gained practical experience on the factory floor quickly broke down any initial skepticism, in spite of the fact that plenty of unpopular measures had initially been implemented by management. After the first workshop, two-thirds of the workforce were behind the drastic change in production philosophy—the basis for implementing the consultants' concepts across the board. Sixty percent of the improvements were achieved just by changing the method of working.

Herpoel provided strong support at all times, but he was transformed from an observer to a silent admirer: "The enthusiasm among employees grew, and the understanding for the streamlining of production grew too. For me, this is thanks to the different approach adopted by Porsche Consulting. There is no aloofness, no arrogance, and not just a concept written down on a piece of paper. Instead, the consultants put out very fine feelers. In order to achieve the targets we have set, a consultant needs to have a certain authority, and he gets this by having credibility."

After 2005, the year of restructuring, this credibility, cemented from the inside, also symbolized Profine's external target for 2006. "We want to show the clarity we

have achieved in our structure and strategy," says Herpoel. The facts speak for themselves. With growth of over ten percent, it was possible to boost productivity by more than twenty percent. The costs associated with complaints were reduced drastically and delivery capacity was improved considerably. Of the total investments made (€47 million), €30 million directly benefited Germany.

As well as the great improvement in the company's result, there was also particular growth in terms of values which cannot be measured, but forms the basis for everything: There has been a fundamental increase in concentration and quality. "We now have a different way of thinking," says the COO with confidence, "and this has evolved because we have received help allowing us to help ourselves." Transparency and consistency have been retained as a result of the consulting. Logistics is now recognized as a core area of expertise, with seventeen steps having been reduced to just six in the order-picking of goods for delivery alone. It is such practical examples which make this method so persuasive.

This was assistance that came at the right time. For the market for profiles is changing dramatically. Herpoel is well aware of this: "We need to confront a new reality, because our major customers are developing rapidly, and they themselves are adopting quality management from the automotive industry." He countered this with the dedication shown by Porsche Consulting and redefined the goals: "We want to be the top service provider for the best, and to set the industry standards." Profine is back in fighting shape. Overcoming the problems of the past extends beyond the present into the future: "With the foundation we have created, we are again willing to invest." This is because in Herpoel's view, technology is not there to compensate for shortcomings, but rather to generate added value. "We now have greater clarity. And we want to keep it that way," says Hans Herpoel. ◀