



## Monark Equipment

Helping to build a nation

Monark Equipment is the sole dealer of Caterpillar Heavy Equipment and Power Systems products in the Philippines. They handle other leading North American and European brands as well, making them the market leader in heavy equipment sales. Their nationwide network of branches and offices offer extensive product support capability that includes workshop service facilities, maintenance services and account management services. Monark decided to partner with Renoir to assess opportunities for further improvements, aimed at strengthening its position in the Philippines market and enhancing its ability to provide world class product support and customer service.

"The new ways of working have given Monark the necessary foundations to continue on our vision towards becoming a world-class, responsible organization, a leader in nation building."

**JR Banson**  
**President, Monark Equipment**

### Key Results

Total annualized savings: US\$6.1m

Realized, in-pocket savings: \$3.1m

Overall project ROI: 4:1

22% increase in sales

13% increase in gross profit

194% improvement in account coverage

138% increase in opportunity generation

24% increase in closed deals

32% reduction in overdue work orders

35% improvement in impactable service expenses

21% improvement in inventory turnover

42% reduction in overall inventory

6% reduction in aging inventory

### ANALYSIS

The initial in-depth analysis identified a number of opportunities in Monark's sales, service and inventory departments, such as poor forecasting, low workforce productivity, ineffective manpower planning and inadequate performance review. By addressing these and other operational inefficiencies, it was estimated that a potential financial benefit of US\$5.8-7.6m could be realized.

### PROPOSAL

Monark engaged Renoir in a 40-week Project, dubbed "SSI Synergy", divided into three workstreams; sales, service and inventory, with the focus defined as:

- **Sales & inventory:** improvements in business development, sales forecasting & planning, sales force productivity and performance management
- **Service:** improvements in organizational design, planning, productivity and performance management.

The client placed additional emphasis on wanting to see changed behaviours in Monark personnel to ensure sustainable results and, at the same time, improve cross-functional integration and communication between the three departments and across all business units and locations.

### PROJECT APPROACH

The Project kicked off with Renoir's Focus Process™, developed over many years and based on experiences with hundreds of successful assignments. It ensured that consistent and sustainable outcomes were achieved. The process took Monark's staff through a learning experience that promoted commitment and ownership of the solutions being implemented, while retaining the company's essential organisational goals and corporate identity.

To achieve maximum impact and buy in, a select team of Monark employees were seconded to the Project as full time taskforce, and cross-functional "Management Action Teams" (MATs) were set up, led by senior Monark managers. The MATs convened weekly, deciding on process

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and system changes. In addition, the company's Executive Committee functioned as the Project Steering Committee, and meetings were conducted every three weeks to review progress, remove roadblocks and make key decisions about the way forward.

### KEY INITIATIVES & ACCOMPLISHMENTS

The workstreams began designing the new ways of working. Stakeholders were engaged at all levels, processes were reviewed and refined, and management control systems were developed, tested and improved upon. Following Steering Committee approval, the Project team rolled out the new ways of working to staff across all locations and business units. Training was conducted for over 400 staff, and a behavioral audit mechanism was introduced to measure changes in behavior and identify focus areas for sustainability and ongoing improvement.

Within each workstream, specific initiatives and tools were developed, fit for purpose and which led to tangible results. In addition to new and refined KPIs in all areas, highlights include the following:

#### Sales improvements included:

- Improved customer call planning methodology,
- Greater structure and transparency in opportunity management,
- Centralized performance dashboards and regular reviews,
- Improved utilization of CRM and other database capabilities,
- Annual increase of 22% in revenues and 13% in gross profits,
- Account coverage increased 194%,
- Opportunity generation increased 138%,
- Closed deals increased 24%.

#### Service improvements included:

- Streamlined organizational structures,
- Proactive and transparent manpower planning,
- Improved work order prioritization,
- Clear skill matrix for technicians and supervisors,
- Onsite quality management processes and checks,
- Centralized performance dashboards and regular reviews,
- Improved coordination with sales,
- Impactable service expenses improved 35% annually,
- Overdue work orders decreased 32%.

#### Inventory improvements included:

- Re-defined roles and responsibilities across departments,
- Streamlined order management processes,
- Improved data visibility via a centralized inventory management system,
- New performance dashboards and regular reviews,
- Overall inventory levels reduced 42% over the previous year,
- Aging inventory reduced 6%.

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Overall, the Project achieved annualized savings of US\$6.1m, and through its 26 weeks, actual savings of US\$3.1m were realized. This gave Monark a 4:1 return of investment. Just as importantly, it introduced visible changes in behavior and organizational culture. The constant engagement and involvement of Monark employees in all phases fostered a greater ownership of the new systems and processes, which will assist in sustainability and continuous improvement.

## THE RENOIR GROUP

Renoir Consulting is a world leader in sustainable, implemented change. Founded in 1994, Renoir has offices located in North and South America, UK, Europe, Turkey, Middle East, Southern Africa, India, Pakistan, China, South East Asia and Australasia. With over 350 fully employed and highly trained consultants, their work across a wide range of industry sectors gives them a broader perspective of the issues facing your business, allowing them to be sensitive to your unique challenges, culture and specific business issues. This cross-pollination ensures truly effective, rapid and sustainable solutions.

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