

## Defending the leading market position

### Background

The client is an industrial manufacturer whose products are perceived as high-quality products for a narrow product sector mainly in the construction industry. They are a market leader but are facing growing competition from low-cost producers.

We were invited to identify opportunities and threats in order to create and implement solutions to increase competitiveness.

### Process

During the “discovery and understanding” phase, it became clear that this high-quality company is struggling to compete with labour prices. As they operate in Finland, labour prices are not competitive in comparison to those in low-cost countries. When looking deeper into this, we discovered that the production adds 25% value to the product price, whereas the raw materials added value is 75%. The conclusion was that by reducing waste in addition to introducing a fluent production flow and customer satisfaction, the company will be in a position to maintain a competitive edge.

One solution that was agreed upon was both proactivity as well as a fixed period of a frozen production plan. In other words, an attitude of “plan the work – work the plan” was needed. The project focused on client satisfaction, planned production, and the reduction of waste.

Our team worked together with the management, middle management, supervisors, and employees, creating new working methods during a period of three months. Due to the strict Covid 19 restrictions, we successfully transformed management training and facilitation to a virtual environment. We saw this as a learning opportunity together with the client to become more resilient and adaptive for the future. Implementation in the factory, at floor level, was done together with the supervisors at the site.



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## Outcome

The production is following a fixed production plan and is delivering according to this plan. The production efficiency has increased by approximately 10%, the throughput time is shortened and waste is reduced by 15%. The follow-up period is short, and thus these improvements are seen as indicative of success. Based on our client's feedback, satisfaction among main clients has increased significantly as the delivery accuracy and predictivity have increased.

Now that the production process has better control and management, we can see fluency and structure in the process. This has allowed us to initiate the second phase aiming at digitalising the factory floor management progress in supervision and maintenance. We expect digitalisation to increase transparency, improve real-time decision-making, and predictivity in production.



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