

Sales and Profit Growth for Freudenberg

Issue for Freudenberg

The European Shock Absorber Seal Division had been a good profit earner for many years but over a period of 3 years this had dropped significantly. Market share and sales were stable, but the annual price down was not being matched with productivity savings. Morale with the division was worsening and there was little teamwork across the various European factories.

Overall contribution / achievement of objectives

Steve was brought in as General Manager for this European division to reverse the negative trends. He quickly gained the trust of the other sites in Spain, France, Holland and Germany and brought both focus and harmony to the group. Then they worked hard on all aspects of the customer experience over the following 3 years. Quality defects reduced from c.200 to 10ppm; OTD improved from 90% to 99+% and several new patents were launched per year. Customer relationship were improved and intensified as all levels of management were encouraged to meet their counterparts at the customers. Continuous improvement was driven hard and the benefits shared across the whole European division.

Impact on the business / bottom line

Over a period of 3 years the profitability was increased from 10% to 20% on sales, market share increased from 67% to 90%, with a corresponding increase in turnover from €52m to €70m.

Leadership / people management skills

“Steve has a great blend of open working that encourages teamwork and honesty combined with sheer determination to improve results. This is a great balance, and he openly admits it is the team that has achieved the results, not himself. Naturally his leadership and style is the catalyst to this success. He also possesses the intellect to analyze complex business environments, then break them down into manageable blocks which can be changed.”

Automotive Sales and profit growth s9n