

Case Study examples – Robert Burrus

Summary

Legal & General (London) purchased a 500-million-pound housing business that was supposed to produce flat pack easy to assemble (modular homes) houses produced down three production lines, however L&G did not perform correct due diligence when purchasing the business. The modular homes company had been suffering monthly losses of 10 million due to inefficient production lines plus the board of directors didn't have correct visibility of the new purchased operation. My original brief was to go into the business and implement best practice for Risk Management and open the communication line from the business back to head office.

Challenges

- Insufficient professionalism in key areas of the production facility
- No monitoring, measuring and management of key risks
- No time and motion studies performed on the main lines
- Software not fit for purpose to manage the overall facility
- The balance sheet didn't reflect assets and liabilities within the business
- No quality or safety management system in place
- No Risks identified within the business

Solutions

- I started by implementing a SharePoint database system to control and manage risk plus identify all the business assets along with the IP controlled within the business
- I used my Six Sigma expertise to develop a production line fit for purpose
- I made the operation lean for professional cost control
- I identified the top 5 operational and financial risks and devised a plan for professional controls
- Professional inspection processes were implemented
- Operational management plans and processes were produced for the operation
- I completed a full audit of the assets and filtered back to finance

Achieved

- Within six months of entering a failed operation I was able to get the business producing modular homes.
- I re-engineered the production facility so key areas had the correct skilled staff
- Within eleven months the P&L reversed a seventy-five million loss and was close to break even
- I implemented 31000 risk management platform, with a lower-level enterprise risk management system to communicate back to the board of directors.
- New positive KPIs and KRIs were identified and filtered back to the board of directors
- I build a process identifying the design stage through the production then dispatch
- The in-house training facility was introduced for staff retention

Positive outlook

After 10 months of implementation, a new CEO was interviewed to add new layers of professionalism back into the business and guide the operation forward. I was then reassigned back to head office to resume my role as Head of Operational Risk for Legal & General Capital London. Within one year the P&L identified profits allowing the business to be self-sustainable.