



Project report on Interim General Management from April 2020 to December 2020.

Initial situation: What is the order? Who is the client? Which industry is it? What is the situation?

The interim general manager for the previous branch in Shanghai was appointed by headquarters (HQ) in the USA. Orders issued consisted of two parts: The interim manager (IM) was to relocate the company to an area outside Shanghai within six months. His objective was to find a location where production would be cheaper and to return the company back to profitability by implementing a series of layoffs. Was this an impossible mission given the time constraints? As a result of the COVID-19 pandemic, the markets outside of China collapsed and the company is now facing difficult issues. This company builds large-scale electrotechnical systems and machines according to customer specifications, but no orders have been automatically placed in China.

Solutions: How did you approach the task? What were the challenges? What obstacles have been overcome? Which methods were used for this? Which new processes have been initiated?

Headquarters has already set up a new organizational structure with new sales directors and sent the previous directors back to the home office. They enacted this stance, but they did not give the directors prior notice. Their hope was that the directors would give notice of their own accord, saving the company severance payments.

The IM's first unscheduled task was to help sales by renegotiating an already mentally written off job to keep engineering and manufacturing busy.

After the IM inspected new developmental zones and the company's free-standing buildings in the area, prices and tax discounts were negotiated with the local government. The current landlord then went into action and negotiated with the IM until a much cheaper rental price was agreed on. This rental price will remain in effect for the next few years.

Another unscheduled task was to build on the Sales Department's technical knowledge, which had been lacking. This was done in order to create a foundation for a successful company. Therefore, the IM initiated and prioritized an in-house training program that transferred information from engineers to system associates and aftermarket sales personnel in a timely fashion.

In order to highlight the features and benefits of the company's machines to customers, a digitized sales department was also established. This innovative department offers virtual reality and augmented reality systems (VR and AR systems) for training, repair, and maintenance services that the competition has not yet offered. These features are particularly attractive for customers who want to set-up and manage the machines overseas, but who are unable to travel abroad due to the COVID-19 pandemic.

Production Department personnel also had a lack of qualifications for efficient and effective work. In order to rectify these issues, the IM formed an Asaichi Board and



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arranged morning tours of the plant to inspect, document, and discuss on-site problems. These issues were discussed, creative solutions implemented, and effective deadlines set. The starting point addressed complaints from customers who had visited the factory and subsequently criticized the cleanliness and workflow in the plant.

Results: Which goals were achieved? Are the employees and clients satisfied? What are the remaining challenges?

In the first few months, headquarters supported the IM in dismissing the on-site finance officer because she refused to follow planned changes in the company. Meanwhile, the IM and new sales team were able to generate an increasing number of important large orders, and the company regained its form within the initially planned six-months timeframe. The initial resistance of the employees to a restructuring of the company was replaced with a supportive attitude towards the general manager.

Some of the terminated employees sued in court for reinstatement, and these negotiations are still ongoing. Meanwhile, the new Chinese GM has arrived. He will have to find a solution with the external lawyer in this labor dispute.



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Profitable Company Development & Restructuring

Do you want to go ahead in China and Asia-Pacific?

We would be happy to support you as a system doctor and problem solver in getting financially healthy, in restructuring and in increasing profits.

What are your advantages of booking us?

Just one of our success stories as an example for you:

Our engagement for an automotive customer who is the market leader in products for electric vehicles. Here we were able to achieve the following measurable results:

- Increase in sales by 30% while reducing the internal error rate by 86% and consequently as well the customer complaints from 56 units to 0.
- The number of workers has been reduced by 18%, and the absence and layoff rates have been significantly lower.
- As a result, the operating profit rose from 56000 to 2.6 Mio RMB/month.

How is that possible in such a short time? What is behind this success?

All our previous customers from Germany, US, France and Italy had the following advantages through our work:

- 100% loyal to the client
- Innovative thinking and quick actions
- 24-7 high performance culture
- Structured approach, reporting and coordination.

Why is that so important for you in Asia?

From our automotive experience you need a business partner:

- One with an effective cost reduction methodology
- One who can build a learning organization for you
- Someone with years of multicultural experience in East and West
- Tight communication and proactive motivation
- Experience in project management, negotiation technique and control

Now simply write an Email to contact@gtec.asia and arrange a conversation with us.

Don't wait, Asia is fast! An efficient preparation and ramp-up phase must be well planned, so that you can achieve measurable success even faster.

Definitely, we will find an enthusiastic, quick and reasonably priced solution for you, due to our German, Chinese, Indian and Asian network.



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Best regards
Karlheinz ZUERL

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References in Interim General Management & Executive Consultancy:

- Executive consultancy for profit growth of Tier1-automotive suppliers
- General Manager in China for manufacturing, marketing and sales of machines for melting and casting of metals for automotive industry
- General Manager in China for manufacturing, marketing and sales of plastic-, metal- and ceramic parts for environmental protection business
- General Manager in China for manufacturing, marketing and sales of Electric motors, generators and controllers for e-motion market Asia
- Director Asia : Purchasing and Supplier Development of Automotive parts
- Cost Reduction Manager Shanghai HQ
- Compliance manager for legal Controlling of Beijing Office, reporting to German HQ
- Marketing and Sales manager of CNC machines in China, reporting to German HQ

GTEC German Technology & Engineering Cooperation focus on:

- Business development, restructuring, supply chain, operation of parts for automotive industry in China, Hongkong, Thailand, India, Malaysia, with focus on E-mobility, mechanical engineering.
- Engineering, Manufacturing and Maintenance of Die & Moulds and Components/ Parts (Aluminum Die Casting, Plastic Injection, Stamping/Deep drawing, Machining,
- Engineering & Installation and Maintenance of Automation, Industry 4.0, Manufacturing Execution Systems MES
- Profit Growth Academy (Training)