



Project report “Interim General Manager” from August to November 2021

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

The Interim GM was hired for a few months by a management consulting firm to Suzhou, which had received an order from a manufacturer of components for automobiles, medicine, and textiles in Germany. This supplier with a production plant in Suzhou is the market leader in its segment. The interim GM should bridge the gap between the old and the new general manager, and the business should continue to operate.

In the preliminary discussion, details of the current problems came to light.

1. There is a lack of critical positions in sales that must be found as quickly as possible so that sales figures will not collapse.
If suppliers sell directly to the end-customer, they bypass the company and its agent as dealers.
2. Furthermore, some customers from the textile sector complained about the poor quality of the components. They threaten to change to the competition if they continue to be ignored.
3. Machines must be purchased for new projects, but their delivery is way behind schedule. A specification for purchasing has not been drawn up. It is unclear how well the machines will perform.
4. The budget for the coming year should be approved, but the estimated expenses from China are considered too large and the staff cannot explain them.



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5. Productivity in manufacturing is low as many third-party operators work the night shift without supervision. In addition, the authorities switch off the electricity now and then without much warning.
6. Purchasing is not managed; costs of purchased parts are not reduced. There are no strategies, supplier visits, or evaluation of existing suppliers.
7. The improvement suggestion system was terminated years ago and not reintroduced. Furthermore, cost-cutting solutions advised by consultants are not implemented.
8. The lease contract with the landlord will expire next year. The company is not prepared for this.

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?

1. The key positions in sales were found through headhunters and online searches. The HQ decided after interviews. Meanwhile, the remaining salesmen have been told to take care of the customers of the absent salespeople. Suppliers who sell directly to the end customer were invited to discuss the matter. The end customer was also visited with the agent, and new orders were discussed.
2. After all customers had been written to and the new Interim GM was introduced, the salesperson and the IGM visited the most vital customers. The agenda also includes solutions to the quality problems and new projects.



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3. A specification was created retrospectively, and the project manager was sent to the supplier to discuss the technical details before delivery. The cycle time had to be improved.
4. In several meetings with the HQ, the expenses for the necessary machines were explained. Obsolete, unproductive machines with a high need for spare parts and repairs must be replaced, and investments must be approved for the following year. However, the number of employees could be reduced overall.
5. A supervisor is hired for the night shift, and the KPIs for productivity, OEE, and quality in production were redefined. If necessary, a diesel generator can be rented so that the stoves do not cool down when the electricity is switched off, and the expensive contents become worthless.
6. A new purchasing manager is appointed and reports directly to the IGM. The IGM explains how purchasing costs can be saved in weekly coaching meetings. Homework is discussed, and new tasks are assigned. All suppliers will negotiate, and the results will be recorded. The first savings effects came after a short time. Existing suppliers are assessed based on quality, on-time delivery, cooperation, and cost, and a rating of good and bad suppliers is generated. The bad ones are terminated, and their purchasing volume is distributed to others. This makes the further potential for cost reduction.
7. The IGM asked a consultant to send a contract and invited him to an interview. The consultant explained the suggested improvements.



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These were discussed individually with the production manager; ideas were developed and implemented.

The improvement suggestion system was reintroduced, rewards were recalculated, the employees were informed in the regular town hall meetings, and the ideas of the award-winning employees were presented.

8. The IGM talked to the landlord. His purpose is to conclude a new leasing contract with the company and drastically increase rental prices. The manufacturing prices in China will therefore continue to rise. Relocation of production should be examined theoretically so that the price negotiations with the landlord are not unsuccessful in the next year.

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

The progress was discussed weekly with the segment's separate directors and presented to the CEO in monthly “jour fixe” (fixed day) meetings.

The HQ and the decision-makers are far away from China's business. Textile customers forecasted considerable growth years ago, but no additional production lines were invested in Germany or China. This volume is missing, and customers must now expect a delay of more than a year. Customers will gradually leave to buy cheaper, faster, and higher quality elsewhere.



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The new General Manager must continue to drive the HQ to deliver its purchased parts faster and with better quality. Since the German prices for Chinese customers are significantly more expensive than the domestic competition, it is also clear that customers will run to the competition without more Chinese production facilities and consistent good quality.

If interested in our successful interim management in China/Asia, 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 in advance, 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.

Best regards/此致敬礼

Karlheinz ZUERL

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- *Series "Successful in China" 2: China Business - die 50 besten Marktlücken*, Kindle Edition, publisher GTEC, http://www.amazon.com/dp/B00LUZLAGC/ref=rdr_kindle_ext_tmb (German Edition)



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- Series “Successful in China“ 1: China Business - aktuell und kompakt: Komprimiertes Wissen für China-Reisende, publisher GTEC, <http://www.amazon.com/dp/B001124K6Y> (German Edition)
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- Erfolgreich in China: Ein Reisebuch für Manager, publisher Springer, <https://www.amazon.com/Erfolgreich-China-Reisebuch-Manager-German/dp/3540658785> (German Edition)

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Youtube Channels:

- 1) GTEC Profit Growth Office and Apartment Rental: https://www.youtube.com/results?search_query=UCkEqLuLOtaKPAJS8bSsGpWA
- 2) Automotive Interim Management Provider China Asia: <https://www.youtube.com/channel/UC9YvscEakxUoiw4IJ05e4IA>
- 3) GTEC Profit Growth Academy: https://www.youtube.com/channel/UCWqpUb_9hpE34DFBDheIXIA/videos

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

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