

Case study: Quantum Profile Systems



Company background

Oldham in Lancashire is home to Quantum Profile Systems (QPSL), a company with over 40 years' experience in the extrusion of rigid and flexible PVC. The company was bought out by its management in 2000 and now employs 60 people in manufacturing and sales. Its specialist building products are sold nationwide under the brand names: Quantum (Flooring Solutions), Dacatie (Green Building Solutions), Q-Wood (Simple Innovation) and Q Lean Solutions (Innovative Profile Supply). QPSL products are widely stocked in major flooring distributors as well as general builders' merchants and insulation distributors.

The problem

Faced with difficult market conditions since 2008, QPSL had understandably had to focus on the 'day to day' issues such as cash flow and stock control. Some excellent work had been done with the Manufacturing Advisory Service in the North West, but the management team realised that it was essential also to have a longer term strategy in place. To find time to work towards this, they called in IfM Education and Consultancy Services (IfM ECS) from the University of Cambridge for help.

Specifically, the team wanted to take time out to question the current state of the business, and to get assistance in crystallising their thinking about the future possibilities for QPSL.

The solution

Facilitated by IfM ECS, an internal series of workshops in 2010 looked at issues such as the external factors affecting or likely to affect the business and its most important product market groups, as well as an analysis of company competences and resources. The sessions developed and evaluated strategic choices and then went on to produce action plans with defined responsibilities and clear timescales for achievement.

Use of IfM ECS's standard methodology for SMEs provided a holistic view and incorporated marketing, HR, finance, IT and other business functions. The outcome was the creation of a three to five year business plan for QPSL.

Specifically, the teams identified a weakness in the product-market mix of QPSL in that it was focused on two low growth sectors, something they dubbed a '2-legged stool'. The

new plan added two more 'legs' to the offer, including profiles extruded from an innovative wood plastic composite.

"At the same time, we needed a foundation for the stool", says Angus Brogdon, Managing Director of QPSL. "So we developed support strategies in our Lean evolution to improve productivity and efficiency. We addressed IT issues both hardware and procedural, giving us a more efficient and robust IT platform. And we considered the Capex implications of our plans, including the need for external financing and the space requirement."

Duncan Hurlstone, Industrial Fellow at IfM ECS adds: "The continued uncertainty in the international economy and in QPSL's market sector make accurate forecasting very difficult. Rapid changes in the market environment can have a big effect on the business. The strategic workshops covered many of these issues at a fundamental level, and this work can therefore be drawn upon as the business puts the plans that emerged into action. The strategic plan therefore has some real flexibility built into it and we are confident that the management team will be able to take these plans forward and deliver further positive impact on the business."

Benefits

The workshop format ensured that everyone could work from a common base (a 'blank sheet of paper'), and use their expertise systematically to identify issues and solutions leading to an agreed plan. In some cases, it provided personal development for members of the management team, helping them to think more strategically.

The expected impact on the business is the achievement of sales growth in both new and existing markets. The plan is designed to increase profitability without too great an increase in overheads.

Read more about Quantum Profile Systems at: www.quantum-ps.co.uk

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