

Case Study

Advanced Piping Products

Location: Houston, TX **2016 Revenues:** \$5.3 million

Employees: 20

Highlights

Rapid Financial Results; Lasting Cultural Change

Prior to 2011, Carrie Reese and her husband, Matt Reese, lived in Boston and worked in the finance industry. Then, when Carrie's father passed away, they decided to move to Houston and take over running the business he started. "Neither of us had run a business before," says Carrie Reese, who runs operations at APP. "We soon realized we were spending all of our time fighting fires. We thought we had to do it all, without realizing we had become the bottleneck."

But in the wake of a deep slump in the energy industry that hit in 2014, the Reeses were forced to lay off more than half of their company – something they pledged to never have to do again. That led them on a search for a better way to run their business – one that would open the business up to their employees as well.

That journey eventually led them to discover the Great Game of Business in the footnote of another business book. "The open, caring, trusting philosophies and strategies at the center of the book perfectly mirrored the type of company we wanted to build," says Matt Reese, who serves as APP's CEO, "a company where everyone shares a big picture understanding of where we are headed and what their role is in getting us there.

The financial results since APP has begun playing the Great Game of Business have been impressive: in 2016 they finished the best year in their company's history, their quarterly profit margins soaring from 42% to 76% compared to the prior year.

Perhaps just as importantly, the Reeses are excited about how they have spread responsibility throughout the company. "I sleep better most nights," says Matt Reese, "because there are other people worrying and asking questions about the same things I am."



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Organizational Background

Advanced Piping Products (APP) develops highly engineered and dependable pipe support solutions. Founded in 1991, APP's composite technology provides protection against corrosion, therefore prolonging the life of valuable piping systems.

"I'm most proud of the increased engagement across all departments and the goal setting everybody has been doing.

At least for me, the individual, department, and company-wide goal setting process has allowed me to become a more effective employee because it provides clarity to what tasks and activities will have the greatest impact for Advanced Piping."

~ Molly Cougill, Manufacturing Process Engineer



Playing the Game Together

As a result of implementing Great Game practices like huddling, score boarding, and playing MiniGames (which have been especially popular in the operations department), the APP team has shifted its mindset from fighting fires to tackling its biggest challenges head-on.

"Our previous culture was based on the mindset of, 'I work hard, so it's OK if I don't hit my goal," says Matt Reese. "Today we hit our goals, and if we don't, we adjust our strategies and hit our plan. We've had more productively awkward conversations in 2017 than in the company's previous 26 years in business. But this has only served to make us stronger and moved us more quickly in the right direction. Our problems are no longer able to hide from us."

"I'm excited about the openness between departments and companywide. No matter who you are, a manager or a shop worker, your idea will be heard and considered."

~Juan Colon, Shop Foreman

What's Next?

One of the key roles ahead of APP in the next year is to implement an ERP system that will give them the kinds of numbers they can use and act on as a team. They've also brought on an outside CFO/controller who is helping them close periods quicker so they can get the information to the team as close to real-time as possible.

"Our obstacle remains getting the right numbers in front of the right people," says Matt Reese. "It's also hard to have a huddle if you don't have the right information."

The APP team is also committed to improving their skills at forecasting and getting their whole team involved in strategic planning through the High Involvement Planning process.

Meanwhile, the Reeses took time away from the business by taking a family vacation, "which is something that would never have happened prior to playing the Great Game of Business," says Carrie Reese.

"We're able to have more insight on what's going on in the company as a whole."

~Jerry Garza, Shop Foreman