

Case Study

Global Recovery Corp.

Location: Springfield, MO

2018 Revenues: \$7.4 million

Employees: 16

The Critical Number™: Profit Before Tax (PBT)

2019 Highlights



Challenge

While the GRC team came out of the gate strong with \$8 million in sales their first year, they also had challenges to overcome, such as \$1.5 million accounts receivable and a \$3 million loan balance they needed to pay back. They needed to find a way to work together in running a sustainably profitable business of their own by focusing on expenses, cash flows, collections, and inventory turns.



Solution

As SRC employees, GRC's founding team has been practicing The Great Game of Business® (GGOB) for years. But now they needed The Game even more to help them grow their business as an independent unit. They needed all of our employees capable of making day to day decisions while understanding the kind of impact those decisions would have on the business in areas like costs, inventory, and investments.



Results

From the company's start, GGOB has helped strengthen their balance sheet and the financial stability of their company. Their debt-to-equity ratio has dropped from 9.12 their first year to 2.32 in 2018. They have also increased their asset turnover some 39%, which signals they are using their assets to generate sales and turn those assets into cash. The team has also used the High-Involvement Planning™ (HIP) process to help them form contingencies and to both diversify their business and to defend against times the market has turned against them. "Practicing The Great Game of Business has developed a culture at GRC where employees feel valued," says Neil Chambers, GRC's General Manager. "Everyone has a voice in the decision making and strategy of the company. Employees know how they contribute to the success of the company on a daily, monthly, and yearly basis." GRC also won the "Owner's Cup" in 2018, which is awarded to the SRC division who best embodies the principles of Great Game™.



GLOBAL RECOVERY CORP

Company Background

Global Recovery Corp. (GRC) was spun-out of a department of SRC Logistics back in 2013 with just five employees. The company works with original equipment manufacturers (OEMs) to help maximize their return on aging, obsolete core inventories and scrap.

"I am so impressed with our momentum. GRC has made a lot of progress the past few years and I think that continues to fuel us. It is empowering to be a part of a company that values what you say, supports you during challenges, and keeps you accountable. We celebrate our wins and we learn from our loses. It is an exciting time to be a part of GRC!" ~ LaCinda Ennis, Accounting and HR Generalist

MiniGame™ Spotlight

The GRC team uses MiniGames to promote accountability and to celebrate wins as a team. One example was a sales department challenge to improve descriptions and increase the number of inventory items listed on eBay. As a result of playing the game, and improving the quality of their listings, their eBay revenue is up 64% year-over-year. A second example was a MiniGame aimed at speeding up their receipt to shipment process—which generated an additional \$89,000 in margin in just 90 days.

“Playing the ‘Game’ gives everyone in the company a voice and an opportunity to drive our success. It also gives each member of the team the ability to see how they personally make a difference to the company’s success or failure.” ~ Jason Taylor, Core Buyer

What’s Next?

Chambers says that the team’s biggest stumbling block has been getting past the day-to-day issues and dedicating the time needed to focus on long-term growth and strategy.” High-Involvement Planning is not a one day, one week or one-month event,” he says. “It must be worked on throughout the year with frequent discussions and updates. With a small group of employees, it is easy to get pulled in different directions and it can be difficult to regularly set aside the time to focus on long-term strategies. To combat this, we encourage all of our employees to openly discuss the challenges they face in our weekly huddles and empower everyone to come up with their own solutions to our challenges.” To that point, Chambers would like to see his team get better at creating MiniGames where the rewards are self-funding. “We love to play games,” he says, “but I think that sometimes we do them just to have fun. That’s still has benefits because whether you’re bowling or sharing a pizza, it brings your team tighter together. But I’d still like us to improve the depth and the scope of the problems we can tackle through them.”

“Playing The Great Game of Business empowers me to make business decisions and know the impact of those decisions on a daily basis. As an employee, I appreciate focusing on specific business challenges and turning those challenges into a benefit to the company. When we play MiniGames it makes it feel like we are doing something different even if it is just putting a spin on the same thing. I have never worked for a company that openly discusses the company’s long-term growth and strategy like GRC. I feel like I am involved in shaping the company when we discuss goals and strategy in our huddles. I don’t know if I could go back to working for a traditionally ran company.”

~ Keaton Paylor, National Sales Manager
