

2019 Highlights



Challenge

SRC of Lexington was originally a division of Komatsu, until it was slated for shut down back in 2009. After SRC purchased the factory, saving more than 60 jobs as a result, the team had to learn to run their business on their own. That also meant finding a way to earn a profit.



Solution

Embrace The Great Game of Business® (GGOB) leadership system as a way to learn to think and act like owners of their business to help turn around the business.



Results

"SRC of Lexington was a marginal business at best when SRC purchased us from Komatsu in 2009," says Rob Shear, SRC of Lexington's General Manager who also ran the plant under Komatsu. "The Great Game of Business has changed us for the better. There is truly an ownership culture here that didn't exist when SRC purchased the company almost ten years ago. When we were owned by Komatsu, employees expected the company to take care of them and didn't have any interest whether the company was competitive or financially successful, as long as they kept their jobs."

Now, says Shear, the implementation of High-Involvement Planning™ has been the biggest driver of financial success since they began playing Great Game™. He says his team has now developed a coherent strategy, a long-term financial plan, objectives to achieve that plan, and a communication process to get everyone bought into the plan. "Employees at every level understand through our communication of the plan how what they do ties into our long-term success," he says. "We tie our Critical Number into the long-term plan and communicate it early and often to employees each year. This planning and communication loop has helped us to grow the business into areas that will allow us to continue to improve profitability as we execute on our long-term plan and core purpose—which is to give our employee owners a better life."



Company Background

The company works with original equipment manufacturers (OEMs) to offer quality remanufactured products for heavy equipment that ranges from engines, powertrain components, and hydraulics.

"Knowing how GGOB works is a big part of our company. It's why we exist. An example of what kind of impact it can have is with every employee knowing the Critical Number for that year, that is everyone's goal to achieve as a team. No matter what level you're at on the pay scale you have a stake in the outcome. When things are good and we're thriving we all know why. When things are down everyone knows why that is and what needs to be done to get back on track. With open-book financials employees know they can make a difference, they can see it when their department comes together and achieves monthly sales goals, they see that directly in the bottom line. It's not just coming to work and doing your 10- or 12-hour shift and going home, you felt like you actually helped, and the proof is right there for everyone to see." ~ Dalton Dunn, Hydraulics Department

MiniGame™ Spotlight

SRC of Lexington continues to run multiple MiniGames throughout the company. One example was called “The Early Bird Catches the Worm”, which helped decrease cleaning and bolt hole repairs on the cylinder head assembly line from 40% to 3%. Another game, called “The Tower of Inspection” helped reduce inspection failures, where the pass rate went from 78% to 96%. Other MiniGames targeted areas like efficiency improvements, labeling tools, and creating a consistent shipping rhythm.

“The premise of GGOB is to teach everyone that they are all owners and that everyday decisions made by each of us have an impact on the results or bottom line. Every action, top level management to individual employee, influences the ability to create wealth, provide job security, and contribute to the company’s overall wellbeing. By practicing GGOB employees learn the company’s financials and philosophies. With these tools’ employees can identify a “Critical Number” or area needing improvement and establish targets to overcome the identified shortfalls. I believe that GGOB has impacted SRC of Lexington by helping provide the above understanding of how the numbers function, expose weaknesses (help identify our Critical Number), and present us with the tools to be able to implement the necessary processes, procedures, or contingencies to try and help us successfully hit our targets.” ~ Michelle Fugate, Materials Department

What’s Next?

Shear says that while the company has been successful since it became part of SRC, things began to turn downward back in 2015; they found themselves in a bit of a rut when it came to playing The Game. They hadn’t earned a bonus in a while and support for The Game was waning. That’s when they reinvested in strong, employee-run committees, including the Ownership Culture Committee, which ramped up Great Game education, worked with departments on running better and more impactful MiniGames, and revamped their huddles. Meanwhile, other employee committees tackled challenges in areas like safety or giving back to the local community. “The common theme with these efforts was giving employees more of a voice in making decisions and helping to run the company,” says Shear, which is something he wants to continue improving on into the coming year as well as the company moves into a new larger facility that it now owns.

“GGOB has taught me so much regarding how money can be affected in your everyday life and how to be more open and aware of problems that come up and how to react and not over react to a situation. It has made me better prepared financially for problems that can occur in your everyday life. I will plan for the future and prepare to overcome obstacles because I now look for the future obstacles. I have learned that your future is the choices you prepare for not just the obstacles that stand in your way.” ~ Mike Miller, Cylinder Heads
