

## 2019 Highlights



### Challenge

While the company had a strong foundation in top-down planning, they wanted to find a way to evolve into a bottom-up approach.



### Solution

Implement The Great Game of Business® (GGOB) inside the organization, including embracing financial projections, weekly management and company huddles, financial literacy training for all associates, and a critical number and scoreboards.



### Results

Through MiniGames™, financial literacy, and accountabilities at all levels, efficiencies and lead times have improved at Malco. Sales have increased to record levels as have net operating profits. Since Malco first implemented GGOB, associates have collectively received over \$1.7 million in company incentive bonus payments—which has helped engage associates while giving them a greater stake in the performance of the company. “The GGOB, especially the financial literacy training and sharing the numbers, helped everyone feel and act more like a business owner,” says Mardon Quandt, President and COO.

*“Malco is a planning Company and GGOB is such a great compliment to that process. Being 100% owned, the financial literacy training, the MiniGames, and the weekly company huddle are all ways to help associates to be engaged and keep them informed. We learn all the ways that individually we can help Malco succeed and to enjoy in that success. The GGOB is a win for Malco and for associates.” ~ Carla Hinnenkamp, Senior Accountant*



### Company Background

Malco, which started in 1950 and is now 100% employee owned, manufactures high-quality, specialty hand tools that help construction contractors, including professionals who service heating and air conditioners, do their job better.

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*“I think that communication between upper management and associates has improved. We are able to see the financial statements and they are explained to us. We can see the direction the company is headed. I feel that company morale has also improved. The Great Game of Business has shown us all, that no matter what position we hold in the company, we can impact the bottom line. Coming to Malco Products was one of the best decisions I have made.”*

*~ Amy Carlson, Accounting Payroll Clerk*

## MiniGame™ Spotlight

MiniGames have evolved from management driven improvements to more grass roots department level problem solving, many of which have resulted in a direct line of sight to the net operating profit line. MiniGames are announced at the company's weekly huddles, where the participating team members give a presentation detailing their achievements.

*"I think when employees think, act and feel like owners... everyone wins."  
~ Dave Rentschler, Quality Assurance Inspector*

## What's Next?

The Malco team, inspired by the diversification efforts of SRC, made the strategic move to acquire a new facility—and old Rubbermaid factory—in the town of DeWitt, Nebraska. Not only did the new plant give them capabilities they didn't have in their existing facility in Minnesota—such as forging and heavy manufacturing—they saw a chance to reintroduce the locking pliers that had been made in that facility for generations. "This was the largest and most ambitious expansion of the company in its history," says Quandt, who adds that the new plant was acquired debt-free. But to make the expansion work culturally, Malco's management team realized they needed buy in from all of their employee owners. So, moving into 2019, the company has set a Critical Number to incent employee owners from Minnesota to travel to Nebraska (also vice versa) and spend time in the other location as a way to spread their knowledge and expertise. The new Critical Number is to get 70% of associates to work one week at the other Malco location to learn and assist in establishing the new facility. "The goal is to get them to feel like owners of that plant as well," says Quandt. "It's exciting to hear the feedback from the people who have already spent time there."

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*"The GGOB has brought change to Malco by having everyone getting the same information. In our huddles, questions get answered and we learn about the other areas of the business. If we have issues everyone is aware of it immediately, where before we only heard about things quarterly. The MiniGames have also benefitted Malco. It has made things more efficient and saved time, which saves money. It also makes associates aware that little changes make a big impact."*

*~ Sarah Zipoy, Machine Tool/CNC Operator*

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