

## CASE STUDY

# Applying Lean Principles: Short-Term Gains, Long-Term Value Creation Engine

### Client

Diversified building products manufacturer specializing in creating and restoring high-end residential, multi-family, and light commercial structures and making them energy efficient and more sustainable.

### Challenge

After its 2022 acquisition, the company's new leadership set a bold goal: unlock \$20M in productivity gains by uniting teams and driving lean operational improvements with TBM's guidance.

### Solution

With strong executive commitment, TBM partnered with the company to launch lean-driven initiatives, quickly engaging employees across all sites while laying the foundation for a sustainable continuous improvement culture.

### Results

- \$7M+ in annualized savings from labor, operations, and process efficiencies
- \$2M+ in additional savings generated by lean-trained employees leading site-level projects
- 32 employees across 9 facilities trained and certified in continuous improvement, fueling a CI culture
- New lean-based performance management system driving accountability, problem-solving, and engagement
- Streamlined organizational structure (2025) enabling reinvestment in sales, R&D, manufacturing, and expansion into new markets

## Transforming the building products industry through operational excellence and sustainable innovation.

The building products company markets its products globally, employs more than 4,400 staff in both the U.S. and Canada, and generates annual revenue of approximately \$1.7 billion. After being acquired in 2022, and with interest rates high, the new senior management team was determined to identify and execute on value creation opportunities. Led by its new CEO, it set an ambitious goal of achieving \$20M+ productivity improvement in operations and prioritized efforts to get its entire team across multiple sites to get behind the transformation. The company's COO selected TBM as a trusted partner to help guide their team in leveraging lean principles and methodologies to engage the entire team in the improvement journey and to build a structure to enable sustainable results.

## Top-Down Commitment, Enterprise-Wide Results

The firm's dispersed geographic footprint was one of the biggest and most obvious challenges. More than 4,400 employees worked at 11 different sites across North America, with additional staff based at ancillary supply network centers. One of the most important factors in executing successful transformational change is cohesiveness and engagement and ensuring consistent communication – which can always be daunting when dealing with distance.

TBM worked with the firm on an 18-month plan that emphasized a balance of both short and long-term efficiency gains, strong leadership and coordination across sites, and initiatives that would help stoke awareness, engagement, and problem-solving skills. One critical success factor which the company excelled at was ‘showing by doing.’ From day one, its senior management team led by example, participating in any and all initiatives and events and staying close to its employees, which kept engagement high.

## **First Wave: Quick Wins And Foundation-Building**

The initial phase of the assignment involved visits to several of the firm’s individual plants across the US and Canada for on-site assessment and diagnostic exercises. Not only is the company geographically dispersed, but it also makes a wide range of building products and relies on a comprehensive sourcing network to ensure it has the materials it needs. With so many moving parts, it was critical to observe the current state with our own eyes so we could envision the ideal future state.

The company also had labor gaps in certain areas of essential need, and we were able to help them be both cost-efficient in finding interim talent solutions and process-efficient in developing standard work and being smarter about important but overlooked areas like equipment maintenance. From there, the two-pronged focus was on finding the most impactful near-term value drivers and getting staff trained and engaged as they embarked on this significant effort – two threads that wove together perfectly as we made our way through the process.

## **Learning By Doing**

There is no substitute for on-the-job, iterative training. The company had begun to implement some lean-focused initiatives before enlisting TBM, so the muscle was forming. Working with the company’s management team, which consistently prioritized hands-on training and knowledge transfer over the entire 18-month period, we were essentially able to kill two birds with one stone.

To accelerate cross-company learning, we created an internal, three-month training program called Lean University which included supervisors, engineers, and planners from across the organization. In all, we conducted 25 Kaizen events across six unique sites and led more than 30 employees through advanced Lean University training, where they learned how to operate performance management systems and lead their own problem-solving initiatives. Trainees identified and implemented projects that generated a combined \$2M+ in savings. Over the course of three to four months, each team also performed their own intense waste “audits” by searching for any and all waste, from idle time to design complexity. As they learned together, it allowed team members across multiple sites to share and memorialize good practices. We also identified opportunities around optimizing equipment availability and eliminating downtime, both of which were dragging down productivity and volume. In the second and third phases, we worked with the teams on utilizing data to improve equipment maintenance.



In addition to being trained, it was powerful for these employees to see the impact they helped produce in such a short period of time. One plant manager was very pleased with how the training opened up many more doors for his team to get better and noted how comfortable the teams were sharing ideas and solutions instead of playing the fruitless blame game. Best of all, the Kaizen workstream collectively generated more than \$7 million in annualized savings, showing the potential value that a larger-scale effort could produce.

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## Equipped For Long-Term Success

The company’s management understood that this would not be a one-and-done process. To their credit, they showed incredible patience, discipline, and engagement in working to make sure that long after TBM had left the premises, its team would still be applying, learning, improving, and driving value. The backbone of the company’s value creation/CI work going forward will be its new management system (MS), which a group of employees are now certified to operate.

An MS tailored to a company’s distinct needs brings too many benefits to list – among them better engagement and performance management, expanded skill sets, and user-friendly dashboards that allow for idea-sharing, measurement, and key updates.

The commitment and investment the firm made to ensure a proper rollout – from communication to training – was a major factor in helping it improve operational focus, drive strategic growth, and deliver exceptional value to customers across all segments. The work also puts the company in a stronger position to be able to make the investments necessary to improve sales and research and expand into new markets going forward.

In the end, this project is a model example of how a forward-thinking leadership team can affect transformational change. When paired with the right operational playbook, this mindset can reshape companies' futures. By embracing lean principles, investing in hands-on training, and building a culture of accountability and a passion for improvement the company did not just hit its operational productivity goals – it laid the groundwork for a repeatable, sustainable, long-term value creation process.

## The Results

- Eighteen-month plan drove **annualized savings of more than \$7 million** across key areas, including labor, operations, and processes and procedures
- **\$2M+ in additional savings** generated by lean-trained employees leading site-level projects
- **32 employees across 9 facilities trained** and certified in continuous improvement, fueling a CI culture
- **New lean-based performance management system** driving accountability, problem-solving, and engagement
- **Streamlined organizational structure (2025)** enabling reinvestment in sales, R&D, manufacturing, and expansion into new markets

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