



Proudfoot

"Wherever you look, the numbers are up and stable, whether it's sales, margin, profitability... everywhere."

ROGER O'BRIEN,
CHIEF EXECUTIVE
OFFICER,
SANTA MONICA
SEAFOOD



SANTA MONICA
SEAFOOD®
Family Owned Since 1939

What if you could...

positively impact sales,
margin & profitability
concurrently in just
8 months?

We helped modernize an 80-year-old family-run food wholesaler, positioning it for significant growth. After studying every aspect of the operation, we showed people how to work smarter, transforming the business. Eight months later, the result was record-breaking performance.

The story of Santa Monica Seafood has chapters common to many family-owned and run businesses. A driven entrepreneur creates the foundations. Successive generations inherit ownership and management control. The firm continues to be successful and grows

to become a significant player. But with growth comes complexity.

And then it hits a wall, unable to see how to break through to achieve the next level. This was the point chief executive Roger O'Brien decided he needed help

KEY FACTS

- Achieved record production
- 345,600 gallon annual decrease in water consumption
- 485 inventory reduction
- 25% package cost reduction
- Product quality increase and waste reduction
- Organizational alignment around common goals
- Improved communications
- Pre and post shift handovers
- \$12 million strategic sourcing benefits
- \$3.6m margin improvements
- 25% productivity improvement

“Our family owners and our bankers are amazed at the significant EBITDA improvement.”

ROGER O'BRIEN, CEO



from Proudfoot. O'Brien had seen Proudfoot's work before. At the time, he was CEO of 3 Day Blinds, the largest manufacturer and retailer of window coverings in the U.S.

“There was a clear similarity. Systems, processes, and management controls had not kept pace with growth. We tried adding more and more people, thinking that would be the solution but it wasn't.”

“We had to act fast and stop just ‘throwing bodies’ at our growth problem. Hiring Proudfoot at 3 Day Blinds was the single best strategic move in my 12 years there. What they did gave me confidence to bring them into Santa Monica Seafood.”

Proudfoot arrived on site in late 2016 for a 35-week project. The first three weeks were spent on business analysis, using Proudfoot's **Aerial Mapping™ process**.

This looks at the business from end-to-end, showing all the interfaces of people, processes and technology. Aerial Mapping allows management to see where work gets done in fine detail. It also pinpoints opportunities for improvement.

The natural reaction of employees when consultants arrive is suspicion. It's one reason Proudfoot's unique people-centred approach places high emphasis

on winning their trust, according to engagement manager Julia Malasaga, who ran the firm's project.

“You can't break through performance barriers without willing people. It's not enough for them to see the change you want, they have to want the change you see. **That's why Proudfoot works with great care and attention to bring people on board.** It's about getting the crucial buy-in that any successful transformation project requires,” she explains.

During those first three weeks at Santa Monica Seafood, Proudfoot observed the effects of business practices handed down over generations. Some were essential to maintain the firm's strong position. But others needed changing or updating.

This aside, three major events in a short period were in danger of overburdening his management team, notes O'Brien.

“We had a recently-acquired company to integrate. It was a \$100m-plus revenue operation, with four new facilities and around 100 employees. The business had a different work culture, so this task needed careful handling.

“Alongside this, we'd just spent over \$10m doubling the size and complexity



of our main processing and distribution facility. And we'd recently expanded our senior leadership team. This was our first step in transforming how we managed the business"

Working with O'Brien and his senior leadership team, Proudfoot co-created and secured agreement for an action plan that would transform the business.

Following this, we began working with Santa Monica people on the ground. Managers and supervisors in production, logistics, sales and marketing, strategic procurement, inventory management and storage learned how to actively manage all work processes.

This involved basic but important tasks like setting realistic key performance indicators and careful planning of each day's activities. For example, determining settings on fish processing and packaging machines according to the type of stock on the line at any given time.

Improvements from changes like this far exceeded expectations. Productivity went up 25 percent, twice the level first forecast.

Over in procurement, the results were just as impressive. Instead of individual contract negotiations, a broader category approach saved millions of dollars.

By delving into the company's inventory, extra efficiency opportunities emerged.

"We realized nobody controlled inventory, even though it was a major and recurring capital expense. Neither production nor procurement were truly accountable," explains Malasaga.

ENTERPRISE AERIAL MAPPING

At its core, Enterprise Aerial Mapping is a management insight and people engagement tool that can be likened to organizational 'truth serum'. We created it to allow leaders to begin major change or transformation programmes with higher confidence and certainty, and lower risk.

Aerial Mapping uncovers rich company-and-situation-specific insight. It shows the links between people, process and technology. It reviews the interfaces, shows the dependences and highlights the gaps across functions, units and the company. Forensic-like in approach, Aerial Mapping allows you to see your business from any angle, from any stakeholder position and therefore in an entirely new light.

Using Enterprise Aerial Mapping allows executives to make better, fact-driven plans involving engaged people; to replace guesswork, risk and hope with certainty, clarity and security of outcome. Aerial Mapping is our unique IP; no other consulting firm approaches change and transformation the way Proudfoot does.



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Proudfoot created an interim solution. This mapped the flow of raw product coming into the company, cleaning up the data ahead of an imminent ERP software upgrade. This was how the process would eventually be controlled efficiently.

These snapshots are just a few of the many cost and efficiency improvements Proudfoot helped Santa Monica Seafood create.

"Wherever you look, the numbers are up and stable, whether it's sales, margin, profitability... everywhere. Savings aside, we also improved culture and morale. Together we've strengthened our management team, our business processes and how we track and control business performance," says O'Brien.

"Our family owners and our bankers are amazed at the significant EBITDA improvement. All this is why we recognized Proudfoot in our Service Provider of the Year Awards. It was very well deserved."

Within just eight months, Santa Monica Seafood had caught up with growth instead of finding itself overwhelmed by it. The firm was now poised for expansion and ready for new mergers and acquisitions. Both have happened since Proudfoot's project ended.

The company is living proof of what can happen when people unite and rise to a latent transformation challenge.

Call Us

To secure significant productivity you must engage your people to be successful.

To find out how we can help please contact Pamela Hackett, CEO, email: pamelahackett@proudfoot.com

About Proudfoot

To our very core, we understand the people element of transformation. We introduce new capabilities, and we employ the power of your people to create performance multipliers and an engaged culture. Recognized for our speed and the magnitude of benefits we generate for our clients, we have been doing it — not just planning it — for more than 70 years.

Proudfoot

Tomorrow's results. Today.

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