



SuperOrg in Action



BUSINESS CHALLENGE

Schein Pharmaceutical's Solid Dosage division was losing money – in fact the division generated a net loss (NOPAT) of (\$8M), despite hitting all their corporate KPIs. The underlying problem was that the division was run by CFO based KPIs that focused on efficiency measured as utilization and cost per thousand tablets. The division could improve both metrics by manufacturing more and more, but with no corresponding focus on revenue, cash flow, and the market, the more everyone worked towards their targets, the more money the division lost.

SOLUTION

Based on his experience with SuperOrg founder Mark Sickles and the tool, General Manager Robert Mills brought Mark and SuperOrg in to support him as he defined and implemented a turnaround plan. Together he and Mark pushed back on corporate finance to change the focus from efficiency to shareholder value, and built a comprehensive strategic plan and objectives accordingly using the SuperOrg tool. The discipline of the tool was critical in changing the culture of the teams and led to remarkable results.

RESULTS

Within 2 years, NOPAT had improved from an \$8M loss to a \$54M profit. A year later, Schein was successfully sold to Watson at a valuation of 250% more than when they went public. The company's overall market value increased 2.5x just two years after introducing SuperOrg. Equally important to the sustainability of that improvement was the deeper cultural change that the tool enabled – “*Are we exceeding the hurdle rate?*” became a commonly asked question as we looked to ensure investments in property, plant, and equipment were assuring shareholder value.” Robert Greco, Controller.

“SuperOrg is an invaluable tool that I have consistently applied at three different companies to achieve dramatic shareholder value increases. It does this not just because every dollar of spend is transparently tracked relative to its effect on shareholder value, but it does this by being a real force of culture change that empowers teams to understand their individual and collective impact and holds everyone, regardless of role, accountable to drive sustainable shareholder value.

And best of all, you truly don't need expensive consultants to apply it – the results speak for themselves.”

Robert Mills, Gen'l Mgr
Schein Pharmaceutical,
President Qualitest, & Pres
and CEO SPL.

