

Accounts of Achievement...

A Case Study Featuring Kopp Glass, Inc.

The Company...

For more than 80 years, Kopp Glass, Inc. has been the industry leader in the manufacturing of clear and colored pressed molded, blown, and precision glass for technical, industrial, and commercial applications. Their products are used everyday, all over the world. Kopp Glass provides supplies and service to the aircraft industry, medical field, military divisions, arts and theater, architectural designs, traffic and railroad signals, and many other industrial applications. The company's success begins with the unique glass science they have spent years defining. Kopp's tenure has earned them credibility, and their optical engineering expertise and ability to press glass that meets strict quality and tolerance requirements, define their many years of success. Mastering the skill of precision glass molding takes years of experience to acquire. Considered a leader in the industry, Kopp Glass employs second and third generation craftsmen who give the company the ability to meet this distinctive challenge. Robert Hand came to work for Kopp Glass in 2001 as Manufacturing Director. He could not predict that the long-time success of the company would soon be in jeopardy or that he would find himself leading the company, as CEO, through its darkest hour.



*Robert Hand
Chief Executive Officer
Kopp Glass, Inc.*

The Challenge...

September 11, 2001 had a sudden and detrimental impact on Kopp Glass. The company lost a significant portion of their business attributed to the decline in the airlines industry following 9/11. The decline resulted in a loss of cash reserves and elimination of dividend payments. Over the next two years, the company found itself in a downward spiral with an unrecoverable loss of revenue. To make matters worse, the management team was in disarray and two long-time executive staff level positions had been eliminated. The company's direction was out of focus and the remaining staff feared the company would not overcome the recent losses and current obstacles it faced. With a successful 80-year track record to boast about, the employees at Kopp could have never imagined their company would be in this seemingly irreversible state. In 2003, Bob Hand was appointed as Kopp's new CEO. He was determined to pull the company out of the tailspin it had been in over the last 24 months. Bob knew that in order to recover some of the losses in revenue and reserves, a solid turn-around plan had to be developed and implemented. Bob had always been considered a student and practitioner of organizational and personal development and he recalled the former CEO participating in a process a few years earlier that had proven to be beneficial at the time.

LMI Partner, Clark Walter had facilitated the process then, and now Bob looked to him for support and direction. They determined that developing a strategic plan, involving Bob and many other key positions in the company, was critical in regaining losses and securing the future. Bob was ready to get started, because the alternative was not an option.

"The LMI Process has provided a framework for the incorporation of continuous strategic planning for Kopp Glass."

- Robert Hand, CEO, Kopp Glass, Inc.

"Bob Hand communicates clearly and simply. His 'yes' means 'yes' and his 'no' means 'no'. He uses two words when two words will do. His clarity is his power." - John Gray, LMI Partner

The LMI Process™...

In April of 2003, Bob and the executive team worked with Clark, and another LMI Partner, John Gray, in *Organizational Strategic Analysis*. They embarked on a turnaround program that entailed regaining financial stability through cost reduction, increased productivity and sales, and higher profit margins. Using the tools of the *LMI Process*, Kopp established a strategic plan that first determined the company's position in the market place— its strengths and weaknesses, and threats and opportunities. As a result, a set of performance metrics was developed and centered on a key metric of productivity as measured by the output of the glass-pressing department. A production goal in the glass-pressing department was defined to increase the \$850 per hour average to \$1,200 per hour. Practicing the LMI concept, "what matters most", Bob and his executive team focused on changing production practices and eliminating products that were not contributing to the glass-pressing standard goal. A number of sales, production, and quality initiatives were developed and directed at improving this key productivity measurement. Next, *Effective Personal Productivity* was implemented to quality control managers, manufacturing and accounting supervisors, and sales, engineering, and operations managers. As a result, a team was formed to develop a procedure for evaluating the profitability of loss leader products. The results of their first project increased the contribution of a product over \$300 per hour. Within months of executing the plan, Kopp Glass was operating at a break-even level. Less than 12 months later, Kopp's sales increased by 18 percent, generating the company's first profit in three years. Through the efforts of a strong leader and a dedicated staff, the downward spiral had been halted, and Kopp Glass had survived the fall.



The Difference...

Kopp Glass has seen many results since beginning the *LMI Process*. In a two year period, overall sales increased 28 percent to \$12.9 million and profits rose 7 percent. By 2005, the measurement of productivity grew by 28 percent. John Gray and Clark Walter continue to coach and mentor Bob in the development and implementation of every aspect of the on-going plan. The development of the overall strategy, initiatives, and execution of the strategic plan are based upon "what matters most" thinking and defining SMART goals. LMI concepts and principles were further introduced in 2005 and the executive staff continues to participate in leadership development, goal-setting and time management training. The increase in sales and profits, as well as continual development, guided Kopp through another cost impact crisis due to the rising cost of natural gas. Applying the tools acquired in the process, they managed to remain profitable. Kopp Glass is an example of how a small American manufacturing company, using centuries of old technology, can survive in the global marketplace. Through the establishment of specific, measurable, attainable, realistic, and tangible goals, Kopp survived a dire time in its history. Kopp has also embarked on a strategy that will continually examine its place in the market, allowing the company to make timely decisions on new products and processes meanwhile controlling costs. Clark Walter says, "Bob's belief in the unlimited potential of people has been a driving force in the return to profitability that Kopp Glass has enjoyed."

"Our success is a work in progress. We continue to apply the tools of the LMI Process on a daily basis."

- Robert Hand