

## **RSR Case Study**

Each new relationship at DeWolff, Boberg, & Associates begins with a promise. And while our mission is to meet that promise and exceed client expectations, unpredicted circumstances can arise, preventing 100 percent delivery of a solution. When that happens, DeWolff, Boberg, & Associates' money-back guarantee comes into play. Such was the case with RSR.

### **RSR: Survivor in a challenging industry**

As one of the world's largest recyclers of lead batteries, RSR recycles every part of used batteries — extracted lead is redistributed to all segments of the lead industry, plastic components become new battery cases and other consumer products, and recycled acid is used in the paper industry and for laundry detergents.

While RSR undoubtedly offers a valuable environmental service, stringent regulations have made the cost of doing business prohibitive in recent years. And even with the highest safety standards in place, working with hazardous substances like lead and acid, extreme heat, and other adverse conditions make working in the industry a high-risk endeavor. "We're talking about people in full respirators all day on a plant floor that can get up to 120 degrees in the summer," said Steve Fish, Senior Chief of Operations, DeWolff, Boberg, & Associates. "They take showers before they leave each day to make sure they don't take lead home to their families, and they get tested for lead every month. They're pretty dedicated folks."

In addition to these challenges, the entire metals industry faced a grim marketplace in the late 1990s. From 1997 to 1998, lead prices took a nosedive. Then, competitive issues led to a rollback and layoffs at RSR's California facility in late 1998. By 2000, lead prices were at an all-time low on a constant dollar basis. Reacting to this dire situation, RSR attempted to cut operating and manufacturing costs, with limited success. When all internal resources were exhausted, RSR considered the possibility of manufacturing evaluation from an outside consultant.

That's when DeWolff, Boberg, & Associates stepped in to help RSR optimize its New York, Indiana, and California plants.

### **Setting boundaries for the relationship.**

While RSR was impressed with DeWolff, Boberg, & Associates' references, it was the savings proposal that ultimately won them over. As a struggling company, RSR had little capital to spend on programs that weren't guaranteed. "No other consultants out there would offer us a guarantee like DeWolff, Boberg, & Associates," said Sandy Anderson, RSR Executive Vice President and COO. "Based on our financial situation, it was a perfect arrangement. We had nothing to lose and everything to gain."

Right up front, RSR requested that DeWolff, Boberg, & Associates eliminate any solutions that involved capital expenditures, because funds were not available to

"reinvent the wheel." Therefore, DeWolff, Boberg, & Associates' challenge would be to reduce costs by focusing solely on better utilization of the workforce.

Anderson felt that the primary focus of the evaluation should be more efficient use of manpower. Second, she knew that the management staff needed to become better managers. With a company history of promoting the best operators to management positions, these employees had been expected to pick up the skills needed for their new managerial responsibilities without the aid of formal training. With this in mind, DeWolff, Boberg, & Associates would need to teach RSR managers how to be more proactive about self-evaluating and self-correcting.

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Getting to know RSR up-close and personal.

DeWolff, Boberg, & Associates began with a two-week study in New York, rolling into analyses successively at the Indiana and California facilities while investigation continued at the earlier visited plants. This progression allowed DeWolff, Boberg, & Associates to hit the ground running at subsequent locations since operations are virtually identical among the facilities.

RSR management took comfort in DeWolff, Boberg, & Associates' around-the-clock dedication. "We had previous experiences with consultants where they came in at nine and left at four, flew home on Fridays at noon, and showed up again Monday morning. But the way DeWolff, Boberg, & Associates ran the program was outstanding," said Anderson. "We run 24 hours a day, 7 days a week, and they were here alongside our workforce for every minute of it. We knew that every shift and every employee was going to be part of this study."

DeWolff, Boberg, & Associates faces unforeseen challenges.

With initial findings in hand, DeWolff, Boberg, & Associates proposed eliminating employees and cutting back on work shifts — ideas RSR's upper management resisted vigorously. Upon taking a closer look, it was understood that RSR staffing was a matter of filling work stations, meaning that an operator must be present at all times to monitor gauges and make sure the process flows smoothly. Other activities originally thought to be non-value added were later seen as required work hours in order to meet all the regulatory requirements of facility management and employee training. DeWolff, Boberg, & Associates then suggested reducing hours by cutting back on the number of days the smelting process is implemented, which was not a viable option. Because relatively minimal labor force reductions were possible, DeWolff, Boberg, & Associates put a strong emphasis on more efficient use of manpower and overtime control.

As another alternative to staff reduction, DeWolff, Boberg, & Associates proposed increasing workload to keep the existing workforce occupied. Making this equation work would mean bringing in more batteries to recycle. Again, DeWolff, Boberg, & Associates' solution was challenged. Because RSR's workload is completely dependent on consumer disposal of used batteries, future volume is impossible to predict.

Stepping back and taking an honest look at the results.

Many of the cost-saving measures that DeWolff, Boberg, & Associates suggested based on the analysis — including reduction of workforce and increased production — weren't feasible for RSR in practice. DeWolff, Boberg, & Associates did successfully initiate training in the classroom and, most importantly, in the actual work environment. Through these formalized programs, managers were able to improve their management styles and communication skills, while gaining a better understanding of their roles and responsibilities.

Thanks to training, overtime control, and minor staff reductions, RSR is realizing savings and even turning a profit during a time of extremely depressed lead prices. "Because DeWolff, Boberg, & Associates spent 16-18 weeks with our employees, one-on-one, our supervisors really learned how to change their approaches," said Anderson. "DeWolff, Boberg didn't just observe ... they really taught them."

Training has also resulted in a new awareness of the manufacturing process, leading to improvements in throughput. With a more controlled process, available batteries are being processed more efficiently, resulting in a better bottom line — regardless of lead prices.

Coming through on a promise.

Perhaps what impressed RSR most in the end was DeWolff, Boberg, & Associates' gracious refund of a significant portion of their fee. "There was no arguing about it," said Anderson. "DeWolff, Boberg, & Associates announced 'The project is over. We have not met our goal by "x". Here's your money back.' And within a week we had the check."

"As a company, our culture is very straightforward ... we tell you how it is and let the chips fall where they may," said Fish. "It's not as if we didn't realize any savings for RSR ... we realized a lot of savings. We just didn't reach the original projections. "

Even with the challenges of the project, RSR management was positive about the partnership. "We continue to have a great relationship," said Anderson.

RSR takes ownership of the process.

RSR managers have taken complete ownership of DeWolff, Boberg, & Associates' solutions because they've seen them work. And using these tools leaves more time to deal with other issues.

The benefits of DeWolff, Boberg, & Associates' time spent with RSR can be seen throughout every department. Managers and the supervisors are still using some of the critical parameter measurement tools that DeWolff, Boberg, & Associates introduced. That information is being filtered down to the hourly worker level — giving them hourly targets, shift targets, and operating parameters — a communication stream that never existed before.

RSR has since recommended DeWolff, Boberg & Associates to other RSR divisions as well as other companies. "It's a story with a happy ending," said Anderson. "Up front it wasn't an easy situation. But after working side by side, our plant managers said they would've hired on some of the DeWolff, Boberg, & Associates team members in a heartbeat if they could."

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