

COMPASS *Human Capital Advisors*

CASE STUDY: FUELING A COMPANY'S READINESS FOR GROWTH

The leadership of a family-owned fuel distribution and convenience retail company made an important decision to spin off its transportation service company from the larger parent. In that process, it appointed two second generation family members to lead the new business. The new leaders had ambitions to grow the company into a regional player from its fleet of 30 tractor/trailer fuel haulers with a team of 50 employees that processed and delivered 150 fuel orders daily to area gas stations, primarily located with convenience store locations. But they knew there was much work to be done to be positioned to do so.

Initially, they decided to divide the responsibilities of the company. One leader assumed the sales and drivers' operation and the other leader assumed the administration and dispatch operations. At first, the newly appointed leaders spent much of their time learning how the company operated. They both practiced and applied the procedures and practices their employees performed to get the work done within the dispatching and transportation departments.

However, cracks began to appear once their understanding of the business and operations fully developed. Specifically, there were troubles in the dispatch department. Recently hired dispatch support employees were not getting up to speed quick enough. Two senior dispatchers had two unaligned approaches to dispatching. One of the senior dispatchers refused to help new employees learn the process and used a passive aggressive demeanor towards the struggling newcomers. Ultimately, order errors and wasted resources were not uncommon in the course of a week.

As the leaders had decided to divide and conquer, the leader responsible for the dispatch department knew something had to change. Initially, he believed that standardizing processes was the foundation needed to turn the dispatch operations around. But he needed additional help as he often found himself rolling up his sleeves and doing some of the work himself.

COMPASS was contracted through a third party on behalf of the company to research and document the dispatch operations' standard operating procedures. The COMPASS consultant immediately began to interview employees and record the necessary steps to properly develop, process, and deliver an order. But he soon recognized other issues that were constraining the business and identified opportunities to help the leaders fuel the business' level of readiness to scale for growth.

1. **HEADCOUNT ALLOCATION AND LABOR COST EFFICIENCY.** The Client wanted to change its dispatchers' 4-day on, 4-day off shift schedule, with its grueling back to back 12-hour shifts for 24/7 coverage, to improve employee performance, engagement, and work/life balance. After considering and analyzing multiple options, the COMPASS consultant suggested to the Client to take a broader view and understanding of the company's operational work flow and demands. This led to ideas and actions resulting in a \$70,000 savings and the design of a 5-day on, 2-day off work schedule with 40-hour workweeks.

2. **CUSTOMER & DRIVER SEGMENTATION.** While researching the dispatching process, the COMPASS consultant observed that all customers were equally serviced despite differing customer profiles. He also learned that the company's truck drivers were permitted to adjust their schedules, resulting in recurring, unexpected disruption to the daily operation. The COMPASS consultant suggested to the Client to segment the company's customers and drivers to enhance the company's delivery and service reliability. The Client recognized the approach's value and began to implement the recommendation.

3. **EMPLOYEE RELATIONS and TALENT DEVELOPMENT.** The Client was experiencing difficulty with their best dispatcher's behavior. After intentionally flipping a tray of holidays cookies on the break room floor out of frustration and denying it, the leaders had enough and asked the COMPASS consultant for guidance. The COMPASS consultant guided the Client in handling the employee's behavior, but more importantly, began working with the leaders to reduce their reliance on the employee by developing the knowledge and competence of other employees.

4. **WORKFORCE RESTRUCTURING.** With proposed new work schedules, training, job redesign, and a desire to build a new team within their headcount budget allocations, the Client needed a plan of action to accomplish it. The COMPASS consultant created a detailed restructure plan that minimized risk by ensuring an action sequence that created defensibility against legal claims along with a realistic timeframe to ensure each employee was fully engaged and capable in their new assignments throughout the restructure period.

COMPASS worked with the leaders to expand their perspective and thinking in order to envision their dispatch operations in a different, more productive design. In addition, COMPASS recognized other opportunities beyond what was noticeable with regard to improving operations. For the first time since assuming leadership, the leaders began to sense a momentum in their desire to grow the business.