

Case study

Bowater Windows Ltd. (Harmonie – Brno s.r.o.)

Bowater Windows is one of Europe's leading fully integrated manufacturers, suppliers and installers of windows, doors and conservatories predominantly manufactured from PVC-u. Bowater Windows is made up of several operating divisions located throughout the U.K. and Continental Europe, of which each has its own target market including fabricators, installers, local authorities, the new build sector and consumers. Many of the divisions in turn export their products and services to other countries, primarily in Continental Europe.

As part of its expansion plans in the 1990's, Bowater Windows Ltd. opened a modern purpose-built windows manufacturing facility – Harmonie s.r.o. - in Brno, Czech Republic, designed to capitalise on strong growth in the construction sector and provide a core for wider distribution of system profiles throughout the region.

In late 1999, Bowater Windows Ltd. approached Alpha for support in restructuring the management and operations of the Harmonie factory. After analysis and consultation on the position of Harmonie in the Bowater Windows strategy for Central Europe, Alpha provided an experienced Czech-speaking British manager to take over as Managing Director of the local company and undertake the restructuring operations that were required.

The services provided by Alpha through its in-place manager included:

- Restructuring of the sales operation throughout the Czech Republic, closing unprofitable sales offices in Prague and elsewhere, and making major savings in sales support costs.
- Refocussing of marketing activities to provide better support for the revised sales structure. Improved reporting and control systems for marketing spend.
- Introduction of management accounting reports to provide prompt feedback on order book status, profitability and cash flows.
- Greatly improved communication between Bowater Windows HQ and the Czech factory, including strategy review meetings held in-country.
- Organisational restructuring/downsizing of the manufacturing operation while ensuring compliance with the Czech Labour Code.

In September 2000, management of the factory was transferred to a local manager. At this stage, Alpha were further retained, in the person of the Alpha manager, to perform supervisory management on a monthly monitoring basis.

In achieving urgent and wide-ranging restructuring of the Harmonie operation, Alpha was able to fill the gap in communications and control which can arise for language and other cultural reasons between West European company headquarters and their Central European subsidiaries.