



## **Gephardt Group Business Education Training Improves Employee Engagement at Constellium Ravenswood**

In October 2012, Kyle Lorentzen, CEO of Constellium Ravenswood, a West Virginia-based manufacturer of rolled aluminum products for the aerospace and transportation industries, called on Gephardt Group to help his leadership team solve two organizational issues they had been facing for years. The first challenge was to improve collaboration across the functional groups within the plant in order to increase production throughput and lower inventory levels. The second challenge was to improve the decision making of his employees by enhancing their understanding of Constellium's key business metrics. Gephardt Group proposed business education training using for all salaried employees in order to address these challenges.

"Gephardt Group's training is effective because it simulates our actual business, allowing our employees to learn key business concepts and the value of teamwork in a straightforward and engaging way. The training leads to a common understanding of our financial metrics, translating to improved decision making and ultimately improved business results," commented Kyle Lorentzen

Over the course of a six hour session, the Gephardt Group business education training simulates fifteen business periods at Constellium Ravenswood. Participants are assigned to a job different than their day-to-day responsibilities (operations, finance, supply chain, logistics, procurement, sales), and then are grouped into two teams. During each action cycle, the teams make numerous operations and investment decisions, followed by a review of the financial results, a collaborative discussion about process improvements for the next period and then a training session that educates participants on financial concepts.

### **The primary goals for the Gephardt Group training were to:**

- Develop an understanding of the business metrics used to measure performance in manufacturing, including
  - Revenue, COGS and EBITDA
  - Cash Flow
  - Inventory Turns
  - Return on Investment
  - Economic Value Added (EVA)
- Demonstrate the importance of effective inventory management
- Improve communication and teamwork among working groups and between departments

Gephardt Group is conducting business education training with all salaried employees at the Constellium Ravenswood plant, with plans to begin training the hourly employees later this year.

The feedback from participants of the business education training at Constellium Ravenswood has been positive, as represented by the comments below from a company-conducted focus group:

1. The business education training suggested a "better" way to do things at the plant. It provided a great example of what Constellium Ravenswood can be, when everyone pulls in the same direction.
2. This was the best and most practical training I have experienced while at Constellium Ravenswood.
3. The financial education and awareness that I received as a result of the training was excellent. It was taught in a practical way which makes the concepts real. EBITDA and Cash Flow make sense now.
4. The business education training taught us what we don't know about other people's jobs. I learned that what you think you know about someone else's job is probably wrong.
5. The business simulation raises your vision above just getting your job done to understanding the impact your job has on the rest of the team and our overall success or failure as a company.
6. The training drives home an understanding of and appreciation for the cost of inventory, rework and scrap to the financials.

Kyle Lorentzen said, "As a result of the Gephardt Group training, our employees have a better understanding of our business and the value of working together as a team to meet our goals. Gephardt Group has been instrumental in helping us improve employee engagement and as a result our business performance."

### **About Gephardt Group**

Gephardt Group specializes in high performance workplace implementations, leadership coaching, business education training, cultural change consulting and labor relations. Gephardt Group uses a sustainable and measurable methodology designed to help meet your business objectives. Whether you've recently gone through a leadership change, you're planning for a corporate transaction, or you are solidifying an already strong culture for tough times ahead—Gephardt Group has the experience and solutions you need.

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