

From the Ground UP

Kingspan Unidek is restructuring and rebuilding its operations and processes as the company evolves to meet market demands.

Images courtesy of Kingspan Unidek

With more than 250 employees under its roof, Kingspan Unidek has been creating and constructing innovative solutions for the European building sector for more than three decades. Its passionate people have developed, manufactured, and marketed complete roof systems, building systems, and insulation products for countless companies across Europe.

Michel van der Helm, CEO of Kingspan Unidek, has been leading the company for over a year now and has already made his mark on the innovative company. *The CEO Magazine* recently caught up with Michel to discuss how Kingspan Unidek has transformed over the past year, and its strong, strategic direction for the future.

***The CEO Magazine:* Since you became managing director you've initiated a complete restructuring of Kingspan Unidek. What has that involved?**

Michel: It was a loss-making company and already in a few years we've seen a huge transformation. If you look at the building market, it's gone down 50 per cent in six years. When I was appointed as managing director, I looked at the company, with the insight of having worked at the company for a number of years, and I realised that the company was very inward-looking. It had an internal focus and it didn't really look outside of itself.

From that moment on, I decided that we had to change. The first step I made was changing the management team to one that had more of an external focus rather than an internal focus. This meant

that it was moving towards a more sales-orientated management team.

What we did then was we created a new policy which looked for how we could recover this business using the principle of outside-in thinking. We saw that we were one company with 250 people and an internal focus and we asked ourselves how we could change that. One of the major changes that we did was split the company into three business units. This allowed us a better focus on the business, because if you want to align your business with the market with outside-in thinking then you've got to have smaller units which concentrate on their particular focus in the market.

We also made that decision because we're in a lot of different businesses. The question is then do you want to have one kind of approach for all those businesses ›

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and one kind of organisational model, or do you need another model to be aligned with your different markets?

The most important changes that I made were the management team change to be more sales orientated, the outside-in thinking change, and shifting that internal focus and directing it more strategically.

How have you turned the finances of Kingspan Unidek around?

In the plan we made, there were a couple of important points. The first was reducing our costs and we did that by decreasing our number of overheads through implementing that new business unit structure. Building those smaller units and bringing people together meant that efficiency increased dramatically and it reduced our overheads.

We also went through all the costs in our organisation. It meant that

every invoice was going over my desk. I asked my team, 'Why do we pay this; is there an alternative?' This was part of the cost reduction that gave us an enormous push.

Also, the new focus on the market and our outside-in thinking made a big difference. We were seen as more present and relevant because we had more of an external focus and presence. The remarks from customers reflected that with customers saying that they saw us as more active in the market. We were more present and we had more innovation. We're really pushing innovation right now for new products and business concepts.

How will this restructuring help you and your team to set the strategic direction of Kingspan Unidek and achieve your objectives for the future?

If you look at the outcomes we've seen after only around nine months, it shows that we're getting

good financial results and it gives us the opportunity to look ahead at what we can do now. If you are in the process of reorganising, possibilities to grow are lessened because your board has to trust that you're stable and that you can grow in the future. We've gained a lot of trust as a result within the culture of Kingspan where entrepreneurship is very important. We now have approval for a number of new investments. We've got a strong base on which to grow again in new areas and to continue to pursue the strategic direction that we've set.

How have you engaged and communicated with your employees during this time of change?

I started as managing director and on my second day in the role I announced the restructure. The whole company was there and I explained to them what we had to do in the reorganisation. We explained the new direction and

the plan that we had made to form the basis for the recovery of the business.

What we also do is every three months we go into the organisation and explain to our people what the status of the plan is. I also do it twice a year with a summer and winter presentation where we gather the whole company together and tell them what the state of the company is and what progress we've made. Between those presentations at the three-month mark, we go into the factories and tell our people in smaller groups what we're doing, which allows us to go into greater detail. We hope that those smaller group settings will encourage people to speak up and ask questions.

How have you encouraged entrepreneurship and innovation throughout the company?

One of the things that we find very important is to give people the space to do their own thing. If there's a good idea, we ask a lot of questions and then we give people a budget and the time to implement their idea or initiative. Of course, these are smaller initiatives. If it's a big one, we use the Osterwalder model. This model gives more insight if a business model can be successful or not. If there are a number of initiatives then we use that model to make preparations before we let the idea go forward. It's very easy to have a lot of ideas and green light them all, but then they're not fully prepared or organised.

We now use the Osterwalder model as a checklist to see if it meets a range of measures. If the idea meets the checklist then we go for it. That's what we do with innovation because you'll have a lot of problems if you overcommit your people and resources to too many ideas. It's difficult to determine which are the best ideas and what to commit to but the model works very well. We have a lot of ideas and plans but we have to determine which are the best to pursue. It can be difficult sometimes to make these choices because on the one hand you want



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to stimulate your organisation and encourage innovation and on the other hand we can't do everything. I always say: make choices in what you do and especially in what you're not doing and be successful in what you do.

How do you work with suppliers and strategic partners to ensure long-term, collaborative success?

If you look at all the suppliers we have, there is a variety of corporations. There are some who are the traditional supplier-customer relationships where they deliver raw materials to you. We have different levels of partnerships with suppliers and customers.

We also have partnerships with corporations, and these are ongoing partnerships where we try to improve the business together and be open and transparent with each other. We work with our suppliers to develop our businesses and develop our products, looking together at how we can improve the product.

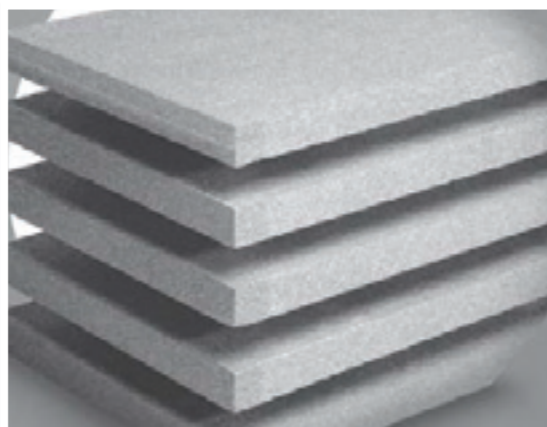
What is your overall strategic vision for Kingspan Unidek?

If I look at the future, I'd be proud if we were a company with a certain importance within the builders' market. We want to have new, innovative products and we want to deliver good financial results. •

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