



Creative Teaching Press®
Your Partner in the Classroom™ Since 1965

Background

For more than 40 years, Creative Teaching Press has been at the forefront of the education market providing research-based, teacher-tested products that deliver standards-driven content including phonics, reading, writing, math, science and social studies.

Founded by Luella Connelly, a practicing teacher looking for teaching materials and aids that would supplement text books and provide a stimulating, effective classroom environment, Creative Teaching Press had its' first big break in 1977 with the creation of Scratch 'n Sniff Reward Stickers that quickly became a world-wide phenomenon.

Jim Connelly became President in 1994, and since 1998 has been the CEO. Under his leadership, Creative Teaching Press has quadrupled its sales. According to Jim, Creative Teaching Press's heritage of partnering with teachers is key to its' innovation and growth.

Situation

Always mindful of its strong history, reputation, and success, Jim saw the need in 2007 to focus on the process improvements, staff effectiveness, and management strength required to provide a much-needed foundation for future growth.

As part of the focus to improve operational efficiency and effectiveness, Jim began to search for a Director of Operations to manage contracting, purchasing, distribution, inventory control, and warehouse operations. At the same time, Jim felt the need for a set of skills above and beyond the current job description — in his own words, "someone with more expertise to analyse our needs; a new set of eyes to fix the problem, not tell us what the problem is." It was at this point that a business associate recommended Cerius Interim Executive Solutions. While Jim was aware of the benefits of Interim Executive Management (IEM) to address leadership and business gaps in Finance, he wasn't aware of IEM as an option for other organizational

functions. That recommendation made the idea "a fit for our company — it opened the door".

Creative Teaching Press decided that the benefits of Interim Executive Management — level of leadership, quick deployment and rapid time to value — was what

was needed at this time. Jim engaged Cerius Interim Executive Solutions for a half-time Director of Operations to define a set of performance objectives for the

company and a timeline to transform the company to a new level of performance.

By the time Cerius completed the timeline, a new operations plan with a set of processes and procedures would be set in place, along with the transition of leadership from the Cerius Interim Executive to a new full-time employee. The first step, however, was the definition and delivery of performance objectives and the timeline to transform. Cerius presented Jim with the mix of executives that would meet these objectives.

"I didn't need to pay someone to tell me my problems. I needed someone to analyze the business, put it in metrics and communicate it to the organization."

Jim Connelly, CEO, Creative Teaching Press

Approach

The initial step focused on establishing day-to-day stability. This included creating a clear sense of authority and responsibility, combined with accountability, at all levels of the Operations organization. Next, the Cerius Interim Executive began a complete analysis of all aspects of operations, including processes and procedures, organizational structure, compensation and incentive programs, interpersonal relationships, and the dependencies between operations and other areas of the company, such as sales forecasting, financial budgeting and reporting, marketing projections, and product planning.

After this assessment, the Cerius Interim Executive, working closely with the CEO and other members of the Executive Team, identified a sequence of activities designed to both rationalize operations and right-size the organization. The strategy to drive the activities focused on three particular areas:

- **Organizational Alignment** — Restructure and resize the organization to meet the needs and objectives of the Strategic Plan.
- **Supply Chain Optimization** — Optimize the supply and distribution processes and channels in order to ensure quality while minimizing costs.

“What we thought we would get was improved operations — but what we got was an entirely new, performance-based approach to all company activities — and the insights necessary to make substantial strategic changes”.

Jim Connelly, CEO, Creative Teaching Press

- **Dashboard Creation** — Develop a set of highly transparent, widely accessible performance metrics to demonstrate both effectiveness and efficiency of operations.

Activities

With the strategy now developed and communicated, the Cerius Interim Executive moved to execute on that strategy through a series of specific steps to transform Operations, improve profitability, and prepare the company for future growth.

Because the Cerius Executive was recognized by both the employees and the company’s executive staff as an Interim Executive focused explicitly on performance improvement, he had flexibility to challenge assumptions, introduce new concepts, and implement changes. Employees expected “new” ideas and embraced change not from fear of job security, but from enthusiasm to improve performance and realize personal returns based on improved company efficiencies.

As the various initiatives were completed, morale improved dramatically, and employees felt empowered to introduce their own ideas for improvement, believed in their authority to make decisions with their now-clear job descriptions, and had confidence that decisions were based on objective measures rather than interpersonal dynamics. According to Connelly, “Identifying and eliminating the weak links has enabled us to move quicker”.

Business Outcomes

- Balancing supply chain activities has produced a **20% reduction of inventory on hand while reducing customer backorders 50%**.
- **Reduction of warehouse space requirements by nearly 20%**. Analysis used in renegotiation of the building office lease.
- Complete order flow analysis by customer type was used to renegotiate an existing agreement with a well known distributor that was losing **\$72,000 per year**.
- **Renegotiation of supplier contracts allowed company to realize volume discounts, reduce inventory, and increase company cash flow in the face of an average worldwide price increase of 15–20%**.
- Established Customer Order Time — the time from when a customer orders to when they receive the order — as the Key Predictive Indicator (KPI) that drives the entire operations organization. **Reduced the time from six days to four days improving customer satisfaction and loyalty.**

Business Outcomes

- Reduction in number of times an order is touched internally lowering **additional shipping and handling costs by 52%**.
- Creation of job descriptions throughout the organization, **providing clearer lines of accountability, levels of authority, and dramatic improvement in morale** among warehouse and other operations employees.
- Creation of a staffing plan that recognizes seasonality and optimizes balance between personnel costs and customer satisfaction. **Rightsizing of the organization drove a substantial decrease in labor costs per year.**
- Completed relocation of products in warehouse to optimize and improve workflow which resulted in a **34% increase in line items shipped.**

But, beyond the outcomes that were originally envisioned, a number of broader outcomes have also been accomplished, including:

- Recognition of the need, and implementation of, a reliable sales forecast that enlightens lead-time and inventory requirements, especially in light of order seasonality. Prior to this year, the last sales forecast provided was in 2004.
- Widespread adoption of graphical and visual performance dashboard metrics, expanding beyond operations and now into sales, marketing, and finance.
- Recognition of the opportunities for improvements throughout the company with better information systems and implementation of other technologies including state of the art supply chain tools, Digital Asset Management, and Performance Management Software.
- Identification by Marketing and Sales of profitable customer mix which now guides the priorities of Marketing, Product Development, and Operations.
- Refined and distilled the existing 35 page Strategic Plan into a two page plan that is used to focus and align the company and employees.
- Professional training in high performance teams and meeting effectiveness completed in the operations department and is now being completed by the executive management team.

Looking to the Future

The goal to align Operations with other departments has been achieved with people now working closer together spurring innovation and ideas for better ways to service the customer. The company is in the process of moving towards the use of dashboards and metrics not only in operations, but throughout the entire company to

provide improved communication between the executives and the Board of Advisors. This approach has led to more confidence in both the executive team and the Board that the company is not only thriving, but is ready for substantial growth.

About Cerius Interim Executive Solutions

Cerius Interim Executive Solutions is the largest provider of interim executive management services in the US, with proven experience in helping small to medium-sized enterprises achieve their strategic and tactical business objectives. We are dedicated to enabling our customers to succeed with our results-oriented executives who bring broad industry and business experience, fill critical gaps in your management team, round out skill sets, or help deal with a crisis. Through a deep resource pool comprised of over 500 executives, we offer a full services portfolio across all management disciplines from which we develop a customized interim executive solution tailored to your needs. You gain immediate access to a carefully selected skill set with the additional leverage of reach to the larger pool of Cerius executives — to develop new strategies for growth, carry out organizational or cultural change, manage complex projects, or fill business-critical roles currently vacant.

When your business plans call for a move to the next step, call Cerius.

To learn more, contact us at 949-250-0500, or visit our Web site at www.ceriusinterim.com.

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