

Award

DDIM.project // 2024

Crisis Turnaround: Material Price Compensation, Inflation Recovery and Restructuring to Ensure Sustainable Continued Existence (Going Concern)

ROBERT SCHIRRA for
CRRC NEW MATERIAL TECHNOLOGIES GMBH



The Award Winner

DDIM. projekt
Interim Management Excellence



„NO-ROCKET-SCIENCE CONSULTING – I offer well-founded services »from practice, for practice«, because companies in times of crisis, turbulence or with personnel bottlenecks need fast, pragmatic support and no detached, rocket-science-solutions“

Robert Schirra

Senior Project Lead Material Price Compensation, Inflation Recovery & Restructuring

The Client

Client

CRRC New Material Technologies GmbH is the holding company of the BOGE Rubber & Plastics Group, based in Damme. The Group is a leading manufacturer in the fields of vibration control technology and lightweight components for the automotive industry.

- Industry: Automotive, Automotive Supplier Tier 1 // GmbH, SMU
- Turnover: 792 Mio. €
- Employees: 3.763

[Company Website](#)

Initial situation in the company

- Continuous losses since 2019; Operating profit 2022: - €67.8 million
- Global causes were the Covid-19 pandemic, the Ukraine war and their impact on global supply chains and inflation
- This led to significant price increases for raw materials, energy and wage costs, which were not compensated or only insufficiently compensated by customers
- In addition, there were many loss-making products with too low sales price and contribution margin
- A restructuring and a renegotiation of prices were necessary for the sustainable continued existence (Going Concern) of the holding company and European locations

Core tasks and objectives of the mandate:

- Leading of the restructuring project for the European locations and coordination of the cooperation between the internal departments involved, Deloitte and the clients; later also for the location in Mexico
- Consulting the management on the negotiation strategy and determining the necessary customer contributions for a successful restructuring
- Negotiations with OEMs/Tier 1 suppliers to compensate for inflation-related cost increases and to enforce profitable prices for loss-making products that threatened the company's existence

Measures

- Fast, initial analysis of the situation in order to get a short-term overview of the complex problem situation and primary priorities
- Close exchange especially with the Management Board, Sales, Controlling and Deloitte
- Identification, detection and verification of claims for loss-making products so that they stand up to validation by clients or Deloitte
- Initially focus on two main customers, later successively on all problematic customers and products
- Consulting the management on the negotiation strategy
- Support and participation in negotiations with OEMs and Tier 1 suppliers

The Measures

- Where necessary, taking on the role of "bad cop" who addresses critical issues
- Introduction of monthly reviews with the key account managers to track the implementation of receivables and the payments by customers
- Regular reporting of the status for the management board, advisory board and general works council
- As an accompanying measure, advising the management board on organizational issues and improving sales processes



„Robert Schirra has performed excellently for our company as an Interim Manager in this project over a period of 19 months. He made very valuable contributions that were essential for the sustainable continued existence of our company, made a significant contribution to securing the necessary customer contributions for the continuation concept and persistently supported the negotiations of these demands.

For me, he was always a reliable advisor, on whose statements and data I could always rely 100%. Even under difficult conditions, he always delivered reliable results. With his extensive experience, extensive know-how, and prudent and exemplary actions, he helped our organization become more resilient.“

Philipp Frings

CEO // CRRC New Material Technologies GmbH

The Results

- The sustainable continued existence of the company (Going Concern) was ensured
- Securing the necessary customer contributions for the continuation concept
- Organization has been made more resilient through recommendations and active conceptual participation
- Sustainable effects ensured by exemplary documentation of the transfer of know-how

Zur Person

ROBERT SCHIRRA

As an interim executive and consultant, Robert Schirra supports medium-sized companies (SMU) and corporations in the entire automotive industry as well as related industries. His mandates cover Sales, Project Management and Product Management – from strategy to operational implementation. He has more than 34 years of professional experience in these areas with very different, complex products that are in need of explanation.

www.schirra-interim.de



DDIM Profile



DDIM.

Dachgesellschaft Deutsches
Interim Management e.V.

German Interim Management
Association, DDIM e.V.

It is important for companies that
structures and processes are
adapted to future needs at an
early stage.

The DDIM recognizes mandates
from DDIM members that have
delivered particularly high
benefits to the client.

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