



**Anaar Inc.**

Helping Businesses  
Become Globally Competitive

## **Case Study:** **Managing Growth at DMI**

### *Abstract*

*In the United States, Disc Manufacturing Inc. (DMI) grew from a 5-person garage outfit to a 500-person global enterprise. However, the profit margins were significantly below initial projections. Fire-fighting was the norm. With the help of the Anaar Roadmap, they were able to streamline their organizational processes, make continuous improvement a way of life, and more than double their profit margin.*

### **Company Profile**

Disc Manufacturing Inc. (DMI), a US-based company, makes compact discs (CDs). Ram Nomula, the president, had brought the company from a 5-person garage start up to a 500-employee global enterprise. Although the company had grown substantially, it was not achieving the profit margin projected to the parent company.

### **Business Challenges**

All of the managers, though competent in their fields, were operating within their silos. Their beepers would constantly go on, day and night. They were busy putting out fires, instead of improving their operations. In order to manage the phenomenal growth, the president would spend over 12 hours per day, 7 days a week at work. At the end of any given day, several managers would be waiting to see the president for direction, clarification, status update etc.

The excitement of growing the business was slowly being replaced by anxiety to achieve the financial targets. In the minds of the managers, the primary cause for lower profitability was that their major competitor kept dropping prices.



## Introduction of the Anaar Roadmap

The president, along with his senior managers, decided to implement the Anaar Roadmap for managing their business and growth.

The following six guiding principles of the Anaar Roadmap were adopted:

- Salaries are paid by satisfied customers
- Results come from processes (systems)
- We must continuously improve processes
- Manage with facts, not opinions
- Management must establish priorities
- Involve everyone through teamwork

The guiding principles were put into practice. When things went wrong, the leadership team started asking “where did our processes breakdown?”, and not “who did it?” All the organizational systems and processes were better defined using flowcharts – first developing macro flowcharts and subsequently developing as many micro flowcharts as were needed to eliminate ambiguity. It was not uncommon for one macro process to contain a hundred micro flowcharts.

Once defined, the processes were improved in a team setting using the Anaar Continuous Improvement Process. The methodology involved:

1. Identifying internal and external customers and their expectations
2. Collecting data on what was being delivered
3. Brainstorming on potential causes for any shortfall
4. Identifying root causes based on further data analysis
5. Brainstorming on potential solutions
6. Piloting solutions to eliminate the identified root causes
7. Training employees on the modified processes

*“We found that the Anaar Roadmap was really paying off. Breaking down silos not only improved profitability, but made work more enjoyable. Involving people in improvement projects and streamlining processes was crucial for our success.”*

- Mr. Ram Nomula, former president of DMI

The leadership team relentlessly emphasized the importance of meeting internal customers’ expectations and continuously improving processes. Several cross-functional teams were formed to pursue improvement projects using the Anaar methodology. With this, the barriers that existed between departments decreased significantly.



## Transformation at DMI

Ram Nomula led the transformation of the company from a fire-fighting enterprise to a streamlined and process-oriented enterprise. He and his senior managers sat in on numerous presentations by the improvement teams. In order to feel the pulse of the organization and assess the pace of transformation, a steering committee consisting of representatives from different levels of the organization was formed.

With the commitment demonstrated by the president and his direct reports, and the implementation of the Anaar methodology, continuous improvement in a team setting became a way of life. Improvements were made in all areas of the business such as sales and marketing, production planning, manufacturing, warehouse, dispatches, invoicing, accounting, customer service, human resources.

## Results

- The barriers that existed between departments decreased significantly.
- Continuous improvement in a team setting became a way of life.
- The load on the leadership team decreased as more employees were better equipped to make decisions that affected them. The president and the senior managers were able to go home much earlier.
- Employees' morale improved as a result of their involvement in improvement projects and decision making processes.
- Cycle times reduced and on-time deliveries improved.
- Several beepers went silent!
- Profit margin improved substantially, even though their main competitor reduced prices even further!

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