

Case Study

The components of financial success

When the late Frederick August Krehbiel developed an innovative plastic material called Molex in 1938, he probably didn't imagine that his Illinois business named after its signature material would grow to become the second largest manufacturer of interconnection products in world by the 21st century.

Known throughout the world for its customer driven operations and committed R&D investment, Molex supplies the small but vital components which power the technology we use every day - from the mobile phone on our desk to the car in our driveway.

In line with Mr Krehbiel's passion for excellence, Molex today provides its employees with world class training and development. This investment in its people is repaid through great product knowledge, new ideas, a strong sales organisation and excellence in people management and leadership.

However in 2005, Molex Americas Region Training and Development Manager, Joe Misurac, identified a need for strong financial and commercial training to complement the wealth of learning and development available. If employees from a range of functions become skilled in financial management, Joe reasoned, could this dramatically increase efficiency and release cost savings that could be passed on to customers and provide a stronger return on investment for shareholders?

Joining forces with the Manager of Corporate Training and Development, Joe searched for a lively and interactive way to teach employees sound financial principles. The ProfitAbility simulation, Corporate ProfitAbility, was chosen as the strongest product on the market. Molex valued its simple but highly effective structure: a two day 'game' implemented at various Molex office locations where teams compete to run the most successful business. All materials, processes and structure are provided so that participants can start making decisions and seeing the impact on profitability throughout the two days.

The participants' experience is extremely action-oriented and when a short introductory session covering the rules of the game is completed, teams are quickly making decisions and running their businesses with vigour. Six teams (each running one business) complete a number of full sales and operational cycles based on the sales, purchases and commercial decisions of a typical year. Participants must decide how to price their products, how many contracts to compete for, what type of products and how many to manufacture, how to finance their investments and how to pay their suppliers. By considering their options, choosing a course of action and witnessing the results almost immediately, the consequences of each team's choices play out very rapidly. This makes it easier to pinpoint 'cause and effect' and to try another tactic quickly.

Initially, Molex and ProfitAbility ran a pilot to test out the simulation for fit and suitability. A diverse group of people from different functions and levels of responsibility took part in the programme, using the Corporate ProfitAbility simulation. Based on the success of this first pilot, more programmes were rolled out - this time a slightly 'Molex-customised' version of Corporate ProfitAbility.

This customisation geared the simulation towards Molex's specific business language and structure, making it even easier for participants to relate their experience on the programme back to their role within Molex. As Corporate ProfitAbility has evolved and rolled out to more and more participants, the simulation has been customised further into "Molex ProfitAbility" and, in addition, Molex Financial Controllers now contribute their expertise to each programme. The input of Molex's full time financial experts maximises the participants' ability to apply what they are learning to the real, working business.



Though every iteration of Corporate ProfitAbility involves a diverse mix of participants, sales managers are always well represented among the participant groups due to the commitment of this area of the business to playing its part in improving efficiency and profitability. The knowledge, understanding and practice gleaned during Corporate ProfitAbility now provides a strong foundation for post-programme projects, where participants commit to a set of actions based on ideas from the programme. The Financial Controller from each programme champions and mentors the post-programme projects and uses their influence and knowledge to help bring about change. These post-programme projects have become tangible and realistic action plans, with a real chance of success.

Joe Misurac comments: "If only half of the actions spawned by Corporate ProfitAbility so far are successfully implemented then it will have paid for itself several times over." We think Frederick August Krehbiel himself would have approved. "I found Corporate ProfitAbility a real help in understanding how various functions view the business and how they perceive their influence on profit.

The two days were relaxed and fun. An open dialogue throughout ensured that every participant contributed and derived the maximum benefit from the programme." Fred Bell, EMS Vice President, Global Sales & Marketing Division, Molex "I feel that the very positive feedback from the sales people, who are essentially giving up valuable selling and commission-earning time to attend, speaks volumes about the quality of Corporate ProfitAbility." Joe Misurac, Training & Development Manager, Molex America's Division "Attending Corporate ProfitAbility enabled me to explore the full range of variables affecting profit, cash flow and shareholder value.

It was great to experiment with different financial levers and see results quickly via the accelerated business cycle which my team worked through over the two days." Debbie Kiley, Group Product Marketing Manager, Molex "The content of the programme is great - sound financial principles which are easy to absorb through the simulated business experience." Jeff Ott, Assistant Controller, Americas Region, Molex "Let's face it, finance can be dull! But the way the Corporate ProfitAbility facilitators run the course, you don't even realise you're learning. And the Competitive team element really stimulates the desire to try out new ideas and learn from the feedback." Jennifer Smith, Manager, Corporate Training and Development, Molex "I definitely enjoyed the Corporate ProfitAbility experience and relished the chance to run a business for two days! Back at work, I now keep a notebook of the insight I gained from Corporate ProfitAbility. I use this to reflect on current business problems and keep the learning fresh in my mind." Anne Knurek, Demand Creation Analyst, Molex