

Case Study

Kiobassa Provision Company

Location: San Antonio, Texas

2015 Revenues: \$65 million

Employees: 204

Industry: Wholesale Products/
Manufacturing

Highlights



Challenge

The company's fast-growth was creating problems at all levels of the business. Team members were stressed and struggled to keep up with the complexities of the business, which included integration of the process improvements needed to make that growth profitable. There was also the issue of extreme fluctuations in the prices of commodities during 2014. "I was also feeling the pain of being the only one in the business who understood the financials," says Michael Kiobassa, the company's president. "There was enormous pressure on me."



Solution

Implement financial literacy programs while rolling out MiniGames and a Stake in the Outcome program to get the firm's team members working toward a common goal - increase the company's margins.



Results

The company posted impressive results in its first year of playing the GGOB, which earned them a coveted Rookie of the Year award. In 2015, the company reported record results. But 2016 is already on track to crush those results. "We may triple what we did on our bottom line in 2015," says Kiobassa. Thanks to that success, the company recently signed a lease on an additional production facility, which is almost 3.5 times its existing space.

***"The GGOB system works!
It's a powerful, powerful tool. It's
extraordinary. There's no other
way to describe it."***



The company is a fast-growing craft manufacturer of authentic premium sausage and food products. As the demand for its products have soared in recent years, the rapid growth strained the systems the company had been relying on.

Company Background

The company, which is 67-years-old and family-owned, shifted into making sausage fulltime under the guidance of Kiobassa, whose grandfather started the company. The company's sausages, which are often described as "the best sausage I've ever had in my life," are now sold across the U.S. and Mexico. The company expects to produce some 17 million pounds of sausage in 2016.

"We have grown from a team who questioned the feasibility of the goals and knew only a little about the business to one that embraces challenge and strives to win with their new found knowledge."

Playing the Game Together

Kiolbassa is a company that embraces the concept Values Based Leadership (VBL), which is based on creating a culture of common language, teamwork, and continuous improvement – all of which was enhanced when they began playing the GGOB. “The GGOB really emphasized two of our four values, Teamwork and Continuous Improvement,” says Kiolbassa. “It has challenged us and caused us to grow stronger as a team and a company.”

By working together, team members have the opportunity to earn a Stake in the Outcome bonus check tied to growing gross margin, their critical number. Part of the success they continue to have results from team members watching yields, rework, and formulations to minimize their materials cost. One MiniGame they ran saved more than \$500,000 in just 10 months. In another, called Cost Savings Initiative, or CSI, some 80 different employees brought ideas about how to cut costs. They've also become more efficient, getting more work done in fewer days. “When I look at the last couple of years and see the growth we've had, the most impressive part is the people growth,” says Kiolbassa. “We just had immediate buy-in and they have embraced the GGOB right from the start. They are hungry for knowledge.”

“We used to operate week by week. Now, thanks to the GGOB, we're having conversations that look out three to six months, which has really helped sync up our sales forecasts and our labor schedules.”

Rapid Financial Results; Lasting Cultural Change

After playing the GGOB for just a couple of years, the company has seen transformative results, both financially but also in strengthening its culture of values – particularly the creativity team members show in finding ways to save money through reduced rework and waste. Team members have grown substantially through huddles, leadership groups, Kiolbassa financial literacy packets, and high involvement planning to name a few. “We are savvy about the market, our competitors, and know what drives success for our company,” says Kiolbassa, who says that net margins in the company have increased from 2% to 6% over the past few years with a goal of reaching 10% in the next two years.

Kiolbassa says that he'll never forget the day that he called his father, who is a major shareholder in the business, to show him their first Financial Huddle Board. “I didn't really know what to expect,” he says, “My dad is old school.” After his dad looked at the scoreboard, and heard about how it fit into the larger GGOB plan, he turned to his son and said: “Michael, this is the smartest thing you've ever done,” recalls Kiolbassa. “That was obviously a nice validation of what we were up to.”

“Our expectations have increased so much due to the GGOB that it's become a paradigm shift for us.”