KEY PLASTICS

CASE STUDY

Key Plastics is a leading supplier of plastic components to the automotive and light-truck Tier One and OEM markets. Key Plastics produces value-added components and sub-assemblies for exterior applications, interior trim and functional underhood products. Key Plastics' global operations comprise 21 manufacturing facilities, 3 technical centers, and 2 mold-making facilities.

Prior to acquisition, Key Plastics was in bankruptcy, on business hold with customers, and struggling operationally. The company had low margins, high PPM, and negative cash flow at its European division.

On April 26, 2001, Key Plastics was acquired out of Chapter 11 bankruptcy. Ed Ewing and his team immediately began implementing a detailed, time-phased "war plan" to restore financial and operational stability, while improving customer satisfaction, product quality, and customer delivery. The turnaround plan focused on a combination of improving management and organizational focus, instituting financial discipline, increasing operating efficiency, focusing engineering and new product development, enhancing customer relationships, and setting new standards for cost, quality, and delivery.

Aggressive implementation resulted in immediate and dramatic improvements throughout the entire company. For example, PPM for one OEM dropped 30% the first year and then another 94% the next year. Key Plastics' attention to quality of its products and processes earned it recognition throughout the automotive industry. Key Plastics received the Quality Achievement Award, Quality Master Award and Zero Defects Award from Nissan, the Gold Pentastar award from DaimlerChrysler and the Q1 Award and Full Service Supplier designation from Ford. In addition, in 2002, 2003 and 2004, a poll of nearly 12,000 individuals from the automotive industry named Key Plastics a "Quest for Excellence" award winner as a result of its performance on cost, quality and schedule. The turnaround also enabled Key Plastics to acquire the assets of Kendrion Plastics, Soo Plastics and part of Regal Plastics – paying for the acquisitions with cash flow from operations, while winning new programs from a wide range of customers.

Commitment to Customer Satisfaction, Quality and Delivery

EWING MANAGEMENT GROUP