



Hillcroft Industries achieves 500% productivity and boosted customer satisfaction

ISO-certified quality management system bolsters customer confidence, opens door to new business opportunities

AT A GLANCE

When the management team at Hillcroft Industries set out to upgrade its quality management processes, it embraced the opportunity to bring much-needed improvements to its organizational structure and work practices. What had worked for decades was rapidly collapsing in the face of growing market uncertainty and increasing competitive pressures. The company needed a way to improve product quality, on-time delivery and cost controls while establishing a framework for continuous improvement.

To meet these challenges, Hillcroft contracted with SAI Global to provide quality management system (QMS) certification services through ISO, an independent, non-governmental international organization. ISO quality standards specify the requirements for a QMS when the organization needs to demonstrate its ability to consistently provide products and services that meet customer and application statutory and regulatory requirements. The decision has proved to be instrumental in helping the company transform its business model, positioning it for sustained growth with existing customers while opening the door to new markets and new opportunities.

BACKGROUND

Hillcroft Industries, a division of Hillcroft Services, Inc., provides work opportunities for more than 225 adults with disabilities throughout East Central Indiana, USA. Hillcroft helps individuals achieve greater independence by providing them with skills, training and paid employment in a safe work environment. Part-time or full-time work assignments are based on the needs of the participants. As a community-based subcontractor for several Indiana businesses, Hillcroft is focused on creating a culture of strong values and ethical behavior and maintaining high-quality services for the people it serves.

"Shop employees were sufficiently skilled, but without standardized procedures and process controls, they were never completely sure about correct steps and what to do next," said Salmon, who led the company's journey toward ISO certification.

"Employees were relying mostly on their personal experience and tribal knowledge rather than on detailed job descriptions."

CHALLENGE

Hillcroft's existing 'mom-and-pop' business model was rapidly deteriorating, unable to support changing market dynamics and increasing customer frustration with inconsistent product quality and lack of process controls. Consequently, customer satisfaction was much lower than anyone within the organization had realized.

"We realized things needed to change and embraced ISO 9001 as the key to establishing customer confidence and opening the door to future growth."

- Michael Salmon
Vice President of Business Development

After speaking with one customer, an automotive supplier to Honda, Salmon learned that the customer was planning to discontinue business with Hillcroft because they were not ISO 9001 certified. After learning of Hillcroft's plans for a new quality management system and its pursuit of ISO certification, the supplier exempted Hillcroft and added it to its approved vendor list, contingent on future ISO certification.

Since Hillcroft's three largest customers were all Tier 1 automotive suppliers, Salmon knew that a quality management system alone wouldn't suffice. Hillcroft needed ISO certification to validate its new system, once in place. The certification would not only help bolster

confidence among existing customers but also open the door for new business within the growing automotive sector.

Convinced of Hillcroft's need to make quality management a top priority, Salmon proposed a plan that included a robust quality management system, along with ISO 9001: 2015 certification—seeking ISO 9001:2015 over ISO 9001:2008 from the outset, given the standard's new holistic, process-driven outcome focused approach. Without hesitation, Hillcroft management agreed, and the company embarked on a long, challenging journey of designing and implementing a QMS specifically tailored to Hillcroft's business needs.

This monumental undertaking would not only involve the mechanics of implementing a new quality management system but would also require a profound cultural shift of the entire organization—including employees who knew virtually nothing about process control, standardized work practices and continuous improvement, much less ISO requirements and certification.

"If this weren't challenging enough because of the difficulties inherent with any type of organizational change, I knew we were going to encounter strong internal resistance along the way," Salmon said.



SOLUTION

After an extensive search and subsequent investigation, Hillcroft selected SAI Global as its ISO registrar. Key in the decision was SAI Global's fast response, deep knowledge of ISO certification practices and procedures, and honest and straightforward feedback following an initial visit.

"From the first meeting with our SAI Global auditor, I could see he had the knowledge and skills to get us to where we needed to be," Salmon said. "He was extremely personable and approachable, and his insights and recommendations for planning, implementing and executing our ISO certification plan aligned perfectly with our goals."

With the help of a new quality team, Hillcroft began to make inroads and progress toward safety, on-time delivery, consistent quality and continuous improvement. Hillcroft worked closely to create a customized QMS—a fusion of quality standards and procedures with the ISO 9001 framework—and received constructive feedback (including opportunities for improvement) and achieved certification in less than seven months.

RESULTS

Hillcroft's new ISO-certified quality management system has transformed the company's outdated business model to one that is modern, manageable and sustainable.

"Achieving ISO status has impacted Hillcroft in ways we didn't anticipate," Salmon said. "Beyond the quality aspect, it gives us a management system to improve how we run our business. It's about having a framework in place that will allow the organization to grow beyond its entrepreneurial roots to become a world-class organization."

Salmon acknowledged some resistance early on as it began to make changes to internal controls and work practices. However, buy-in and acceptance gradually materialized once the benefits become apparent. Employees have also become more engaged. They have embraced the QMS, which they now see not as a burden but rather as something that helps them perform their jobs better. As a result of achieving ISO 9001 QMS certification, Hillcroft has been able to:

- **Increase efficiency** on one production line by nearly **800%**
- Achieve a **productivity increase** on the same line by **500%**
- Record **100% customer satisfaction** ratings over the last **three reporting periods**
- Achieve an average of **99.98% quality yield** in the **last fiscal year**

Perhaps as important is the positive feedback Hillcroft has received from many of its customers, who clearly welcome the new system and recognize the inherent value and confidence-instilling impact of ISO certification.



The ISO certification has become particularly valuable as Hillcroft continues to pursue new automotive customers and extend its reach to the world stage. Case in point: Shortly after receiving certification, Hillcroft received an order from a Tier 1 automotive supplier it had been pursuing for the past 18 months. The customer's representative acknowledged that Hillcroft's ISO certification was central in the selection process.

"What's exciting about this customer is that they have more work than we could possibly handle," Salmon said. "So it's a huge opportunity in terms of volume of work and revenue potential."

"If all goes according to plan, future work with this customer could represent 40 to 50 percent of our total revenue from last year. That's just one company."

- Michael Salmon
Vice President of Business Development

Hillcroft is also negotiating with another Tier 1 automotive supplier for additional work. Pending a second quality audit visit and subsequent corporate approval, work from this customer could provide Hillcroft with a similar revenue boost.

"The implementation of a solid quality management system has been transformative for the company," said Salmon. "We look forward to continuing to use the system to focus on customers and drive continual process improvements."

About SAI Global

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Our integrated risk management solutions are a combination of world-class tech platforms, services and advisory capabilities that operate across the entire lifecycle allowing businesses to focus on opportunities presented by uncertainty. Together, these tools and knowledge enable customers to develop a holistic, integrated view of

risk. In Australia, we are also a leading provider of settlement related services; company, personal and property information.

SAI Global Limited's head office is located in Sydney, Australia. We employ more than 2,000 people across 28 countries and 51 locations across Europe, the Middle East, Africa, the Americas, Asia and the Pacific.

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