

**THE POWER OF STRATEGY:**  
HOW 40-STRATEGY WAS THE  
CATALYST IN A 100%  
TRANSFORMATION AT  
PRECISION MACHINE &  
MANUFACTURING



# PRECISION MACHINE AND MANUFACTURING

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Located in Eugene, Oregon and established in 1977, Precision Machine & Manufacturing, [www.premach.com](http://www.premach.com) is an industry-leading industrial manufacturing company specializing in building heavy-duty material handling components for North America's most demanding industries. By 2020, and in spite of its 40+ year history, the company found itself faced with stagnation and for nearly a decade, struggled with poor culture, declining profitability, and operational inefficiencies. In June 2020, the company sought a transformative approach, which led to a partnership with 40 Strategy led by Carl J. Cox.

# THE CHALLENGES

For years, Precision Machine and Manufacturing was trapped in a cycle of stagnation, which was led by a poor, fear-based leadership and a toxic culture that had become entrenched in every area of the company. Combined with a lack of accountability and a strong operational mindset, inefficiencies throughout the organization became rampant. This negatively impacted customer satisfaction as the company's on-time delivery track record suffered and product quality, which at one time had been the hallmark of Precision Machine & Manufacturing had fallen to below 50%.



# STRATEGIC PARTNERSHIP WITH 40 STRATEGY

Recognizing that a change was needed, Precision Machine and Manufacturing's Board of Directors turned to 40 Strategy for guidance. With Carl Cox's extensive experience in business assessment, business strategy, and corporate development, the company embarked on a transformational journey, which included the development of a comprehensive strategic plan that focused on revamping the culture, coupled with operational improvements, financial upgrades, and creating a proactive sales force with a focus on significant growth within the company's targeted industries.

## **Cultural Transformation:**

Carl's first initiative was to find a strong, strategic thinking leader who was capable of taking this under forming company through the transformational process that PMM required. This would include a top to bottom overhaul combined with ushering in a new company culture that was centered around a positive, team-oriented working environment, and a company first mindset. Carl was intimately involved in the recruitment process for the company's new leadership team, led by the hiring of the new company President & CEO Don Lindsey. With Carl's guidance and mentorship, Don created a new set of core values—emphasizing team-work, accountability, hard-work and continuous improvement. These changes while simultaneously eliminating toxic behaviors and introducing servant leadership practices, the culture transformation had begun. This cultural shift promoted a work environment that prioritized feedback, collaboration, and personal responsibility, which empowered employees to take ownership of their roles and become an active participant in the company's performance and success.

## **Workforce Optimization:**

40 Strategy helped Precision Machine and Manufacturing evaluate its workforce to ensure the right talent was in place to support its vision. Under the consulting firm's guidance, the company underwent a strategic restructuring that involved bringing in new talent aligned with the company's goals. Professional development programs and mentorship initiatives were also introduced, fostering an environment of growth and skill enhancement.

## **Operational Efficiency:**

40 Strategy and the Precision leadership team turned their attention to operational inefficiencies, implementing systematic changes to streamline workflows and reduce waste. By introducing structured processes and encouraging a culture of continuous improvement, Precision Machine and Manufacturing achieved a 100% on-time delivery rate for FIFTEEN consecutive months. The company also upgraded its technology and machinery, which further reduced downtime and maximized productivity. Furthermore, the company improved gross margins from >30% to 47%+ within four years and doubled the company's enterprise value.

## **Strategic Roadmap for Growth:**

A key element of the transformation was 40 Strategy's development of a structured roadmap that provided clear, actionable steps for sustainable growth. This roadmap aligned the company's strategic objectives with its operational capabilities, enabling Precision Machine and Manufacturing to refine its performance metrics and establish a clear vision for the future. With 40 Strategy's guidance, the company's leadership became more data-driven and results-oriented, ensuring decisions were made with a long-term perspective in mind.

## **Market Expansion and Sales Strategy:**

As part of the transformation, 40 Strategy worked with the leadership team to expand their sales and marketing initiatives. By shifting focus from short-term fixes to long-term growth strategies, the company was able to build stronger customer relationships and improve service reliability. This approach enhanced the company's reputation, positioning it as a trusted partner in the industry.



# THE RESULTS

The partnership with 40 Strategy led to transformative results for Precision Machine and Manufacturing. The company's annual revenue doubled, from \$6 million to \$12 million, and EBITDA surged to over \$2.5M for the very first time, which is up from its 10-year high of \$500K. The cultural transformation was evident in employee engagement and retention, as only 8 out of 48 employees remained from the previous leadership, signaling the significant positive shift in organizational culture. Operational efficiency was drastically improved, with streamlined workflows and enhanced quality control. Additionally, Precision Machine and Manufacturing became known as an attractive employer within the local manufacturing industry, which led to drawing in top-tier talent.

## **Key Takeaways:**

- Leadership that prioritizes culture, accountability, and continuous improvement is crucial for organizational success.
- A positive work culture lays the foundation for long-term business growth and profitability.
- Strategic partnerships, like the one with 40 Strategy, provide invaluable expertise and direction for sustainable growth.
- Investing in top talent, upgrading operations, and refining sales strategies contribute to competitive advantage.
- Embracing change, empowering employees, and focusing on customer relationships is key to driving lasting transformation.

# **Don Lindsey, CEO/President**

## **Precision Machine & Manufacturing:**

“Having the right partner(s) makes all the difference and having Carl as my guide and mentor, was an absolute game changer! Carl was always available to me anytime I needed him. Whether it was a late evening call to discuss an idea or a problem, or a hands-on leadership training that grew the bench strength of my team, Carl was an integral part of the company’s transformation and I am a better executive because of him!

The best advice that I can give to anyone who is considering a partnership with 40-strategy or 40-Accounting...DO IT! You, your team and your business will be better because of it! In my 25-years of reorganizing underperforming businesses, I have never come across another executive so well versed in every area as Carl. He can take you through a high-level sales strategy while simultaneously conducting a thorough analysis of the financial statements. Within the business world, Carl is a unicorn as far as I am concerned and I cannot provide a higher recommendation than the one I gladly give for him!”

Please reach out to me any time if you would like additional details:

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# CONCLUSION

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The collaboration with Carl J. Cox's consulting firm, 40 Strategy, played a pivotal role in Precision Machine and Manufacturing's dramatic transformation. By addressing cultural challenges, optimizing operations, and developing a long-term strategic vision, the company not only revived its financial health but also positioned itself as a thriving force within the industrial manufacturing sector. With the support of 40 Strategy, Precision Machine and Manufacturing is now poised for continued success and growth.



# ABOUT CARL J. COX

Hi, I'm Carl, CEO of 40 Strategy & 40 Accounting. For the past 25 years, I've been a CEO advisor, strategic consultant, and board member with multiple organizations that have grown 2x to 7x, with operations in four continents. I have personal experience managing nearly every functional aspect of an organization in high-growth environments, and am now using that experience to help CEOs get unstuck, establish a clear path forward, and scale their organization.

More than 90% of strategic plans fail. And I'm on a mission to ensure you're part of the 10% that succeed.

How do you measure success?

If you're struggling to answer that question, or if you've tried growth strategies that just are not working for your organization...

Schedule a consultation call to see how 40 Strategy's CAPTAIN process could scale your business.

