# Darryle Cromwell

16250 County Road 1565
Ada, OK 78420

Home (580) 310-0621 Office (580) 670-0380 darrylecromwell@yahoo.com


## CEO / President / COO / General Manager

Mr. Darryle Cromwell is a business executive with a track record of maximizing sales, profits, market share and stakeholder value. His experience in P&L responsible positions is preceded by accomplishments in increasingly responsible operations and consulting positions, here and abroad.

He has all the skills one would expect in a successful business leader including sales, marketing, key account management, engineering and manufacturing. He is knowledgeable in TQM, ISO 9002, Kaizen and other modern methodologies to maximize productivity and quality. More important, he has proven his ability to apply these principles in the real world.

Most recently, as President and COO he turned around and positioned Keys of Dallas Texas, as a viable and sustainable entity for the future. Prior to Keys, he grew and sold Hetworth Corporation, an organization that was on the brink of bankruptcy when he joined it as President and CEO. Earlier, he played a lead role in diversifying and increasing the sales and profits of Philip Services Corporation (PSC), a multifaceted outsourcing, management consulting and productivity improvement company. His career began in manufacturing where he rose to senior operations posts with Ford and Chrysler. He also served as a trainer and change management specialist at a 2,000-employee Ford truck plant.

To summarize, after rescuing Keys and Hetworth from imminent demise, his key focus is to develop sustainable firms to capture maximum market value. Earlier, he led Philips' newest business unit to a net operating income of 12% and ROI of 33.6%. He also achieved 300% growth over 6 years as leader of PSC's International Operations, and played a lead role in launching a Chrysler minivan plant in Austria

He holds an MBA from Queens University and has completed many technical and management courses. Others have cited his ability to get things done quickly and his natural leadership traits as being important elements of his success. He easily wins the confidence of others and is especially effective in crisis situations. He has published magazine articles on business expansion, and has given speeches and workshops on many topics relating to manufacturing, procurement and supply chain topics.

Active in the community, he participates in Boy Scouts, Little League baseball and hockey, and the Salvation Army. His hobbies include golf, fishing and biking.

## History and Highlights

### President /COO

Keys Companies

**October 2006 to Present**

*Keys is a $100 million Group of Companies that manufacture and distribute durable goods relating to the home fitness (stationary bikes, treadmills, ellipticals, strength products and accessories), and back yard leisure products (Spa, and Saunas) markets. Big Box/Mass merchants and specialty dealers' are the major customer base.*

Mr. Cromwell was recruited by the founder of Keys to resolve a failing acquisition of the company relating to manufacture, sale and distribution of back yard leisure products. The back yard leisure product acquisition was absorbing cash and significantly unprofitable affecting the core of the firms original fitness business base. The bank lender was stressed and demanding immediate resolve to the matter. Importantly, the original core fitness business had experienced multiple changes in the supply chain and customer base during the same period which had not been managed or recognized by the founder or management group as a key factor to the predicament of the organization. Ultimately, Mr. Cromwell was recruited to save a highly leveraged business of 19 years. In 18 months, Mr. Cromwell successfully reengineered the back yard leisure products business to a profitable state, negotiated the sale of the back yard leisure product business to its' largest competitor and positioned the core fitness business of Keys for the future with funds and support from a private equity firm.

Upon recruitment, Mr. Cromwell reorganized and rebuilt the executive and leadership teams with a shared awareness and understanding, including plans to achieve results in 100 day increments. As a result two business groups of Keys were integrated including manufacturing operations, accounting, purchasing, inventory control, customer service, engineering, product development technical service, sales & marketing, IT, warehousing/logistics and administration that reduced SG&A costs in excess of $1M annually. Moreover, the integration accelerated change with back yard leisure product group and provided resources to the fitness business in areas of product development and the Asian supply chain management.

The Keys back yard operations with gross sales of $48M was experiencing sales returns in excess of 20% and warranty cost of 12% of the gross sale. Furthermore, the products produced domestically were 18% beyond planned standard cost. The total impact accounted for over $18M of annualized loss and working capital consumption of over $18.5M in 15 months. Challenged by limited cash resources, an inferior product and poor operating practices, Mr. Cromwell instantaneously implemented quality control measures, manufacturing efficiencies, supply chain accountability, pre and post sale customer service enhancements. The tactics employed by Mr. Cromwell resulted in a 39.86% reduction or $8M in annualized losses and inventory turns improved from 4.3 to 7.1 times.

Supporting operational improvements in the back yard leisure portion of the business, he negotiated sales programs with new and current store and e-commerce mass merchant corporate retailers to support a restocking fee, price increase and market exposure. The increased market exposure added 800 stores in the Home Depot distribution network and increased merchandizing with Costco.com to a year round offering versus a seasonal render. Furthermore, the major

customer base was increased by 30% adding a full offering to Sam's, BJ's and Wal-Mart. Overall the actions reduced variance to standard by 15.7% increasing gross margin by 2.5% of gross sale.

In parallel over the 14 months, during the turnaround of the back yard and leisure business the company's bank lender remained extremely stressed. Mr. Cromwell executed a forbearance agreement on behalf of the company to extend terms as a means to find a non-traditional lender or an equity partner. In addition, Mr. Cromwell successfully offered and negotiated the sale of the reengineered back yard leisure products business to its' largest competitor in December 2007, providing $9M cash for the core fitness business of Keys.

With the secured sale of the back yard and leisure business, Mr. Cromwell secured an equity firm as the new lender in January 2008 committed to reorganize debt into equity. Since this period, he has been supporting the equity firm team with the financial reorganization of Keys Fitness.

## President /CEO

Hetworth Corporation
2000 to September 2006

*Hetworth is a $13 million organization that provides industrial services to improve productivity, avoid cost, cut expenses and increase revenues. It primarily serves manufacturing companies.*

Mr. Cromwell was hired to turn Hetworth around, grow it and sell it. He was successful. In summary, he increased the company's sales volume six-fold, built the infrastructure, and developed new products. He secured financing for growth and technology development. He successfully consummated the Hetworth's sale to new owners in August of 2006.

When he joined Hetworth, the firm had lost its largest contract which represented 50% of the sales and over 75% of the pre-tax profit. It was on the edge of bankruptcy. Rising to the challenge, he immediately increased sales by renewing relationships with previous clients, and by acquiring three new accounts in the first year. As a result of his decisive actions, sales grew 212% in the last 8 months of his first year, followed by an additional 54% growth in his second year.

With the company's viability restored, he turned his attention to sustainability and continued growth. Outsourcing, Hetworth's primary area of expertise, was a rapidly growing industry. Once thought appropriate only for large companies, outsourcing was finding its way into small and medium size corporations as well. In short, Hetworth had the opportunity to assert itself in a growing market.

However, the company had extremely limited resources to finance continued growth. Traditional lending organizations would not fund at the levels required to enable this privately held firm to build human capital, develop and launch new products and technologies, or support capital projects that would provide a competitive advantage.

Mr. Cromwell developed a strategy that relied on financing initial growth from operations. Then, after Hetworth's financials were stronger, he would then resort to traditional sources of funding to accelerate its growth. At the same time, he needed to build the infrastructure to transform this small organization into a market leader.

To these ends, he implemented a sophisticated, scalable IT infrastructure. Using Hetworth and contract personnel, he drove the development of secure web-based user systems for customer relationship management, purchasing, payroll, human resources and accounting. He also created a comprehensive safety program. As the company gained momentum, he directed more and more cash toward expansion and ultimately secured the outside financing that was beyond Hetworth's reach only months earlier.

Under his leadership, growth in North America averaged 62.5% over five years with an annual average return on investment of 18%. Hetworth earned ISO 9002 recognition. 45% of all R&D product development expenses were recaptured as tax credits. Product lines increased from 2 to 8. During his tenure, market share doubled and customer loyalty (retention) soared to 98%.

## Vice President of Operations

Philip Service Corporation (PSC)
1997 to 2000

*PSC was a $3 billion facility management and environmental support services provider. It serves the oil industry and manufacturing companies of every type.*

Mr. Cromwell was promoted to manage the $100 million automotive and transportation business unit. He had full responsibility for strategic planning, development, operations, sales, marketing, engineering, customer service, administration, and P&L performance. This was PSC's newest business unit. It provided comprehensive strategic outsourcing and process management services.

His initial challenge was to integrate this new business concept into a viable and profitable business servicing major accounts throughout Canada and the USA. Philip Services Corporation, an international firm that was traded on the NYSE, had restructured operations into various geographic regions and industry/account type silos.

It had been on an aggressive acquisition campaign and desperately needed to integrate, consolidate and capitalize on the synergies from the increased capacity, and products and services it could now offer to the market place. Moreover, it needed to create one culture from the different cultures prevalent in the companies it purchased. Finally, PSC needed to shed product and service lines that provided no value or profit to the organization.

He began by eliminating duplication of human resources and fostering a one-company mission. He centralized technical sales and account development managers in USA and Canada. He outsourced truck and transportation maintenance and repair, and closed three repair locations. He exited servicing the steel industry in Canada, a business line that was unprofitable. He consolidated office and service locations and sold underutilized or unused assets

On the plus side, he expanded services and launched an aggressive operational integrity campaign to gain customer and employee loyalty. He also devised innovative sales and business development account development initiatives

As a result, his unit, Account Management Services, provided $100 million in sales with a net operating income of 12% and ROA of 33.6% to the parent company. He positioned this new, unknown entity as the leading provider of solution based strategic outsourcing operations.

In the process, there were many obstacles he had to overcome. In one example, PSC had acquired a Nortru Industries a specialty chemical firm in the USA. It had a global master contract and service agreement with Ford Motor Company. The contract stated that Ford would adopt Nortru's chemical technology in all its paint facilities worldwide as a means to reduce manufacturing costs and exposure to environmental liabilities relating landfill organic and non-organic waste.

During execution planning, Mr. Cromwell discovered that Nortru had limited technical resources and was not capable of providing the retrofit in each of the Ford locations. With one of the installations requiring a retrofit and launch in Portugal within 30 days, swift action was required to save the contract. Based on his exposure to international business, expertise relating to the automotive painting operations, previous Ford employment/relationship, and the long-term opportunity, Philip Services commissioned him to take charge.

He turned his attention to the installation at the Ford/Mazda joint venture in Portugal assembly operations. He acquired ABB as engineering manager. He became the technical trainer for European management team and acted as project manager and customer liaison.

He contracted local trades and resources to execute the project and hired qualified local personnel to run the operation. He also sourced local raw chemical supplies. Under his leadership, the Portugal project met all time and budget goals. He went on to build a "best in class" execution team to fulfill the rest of the contract worldwide.

As a result, PSC enjoyed a $20 million ongoing annual revenue stream that provided a 25% EBITDA and a keen competitive advantage. Additional retrofit projects provided an incremental $1.5 million to $2.5 million per plant with 30% EBITDA.

## International Vice President

Philip Service Corporation
1991 to 1997

*International is a $60 million business that provides facility management and support services to paint and coating manufacturers.*

Mr. Cromwell was promoted to manage the organization and transition it from a commodity supplier to an integrated systems solution provider.

As background, Chrysler had been a PSC client in the past. It had invested heavily in new product engineering and outsourced many critical non-core manufacturing support functions. In fact, Mr. Cromwell had accepted Chrysler's Pentastar Award for Outstanding Supplier Performance.

Thus it was no surprise that Chrysler asked PSC to play a key role in building a minivan manufacturing plant in Graz, Austria. This was a major opportunity for PSC to achieve global recognition.

After completing a SWOT analysis to determine needs and cost to proceed, Mr. Cromwell and his PSC team arranged for local legal, accounting, administration, translation and staffing

services. He finalized regulatory and registration to do business in Austria. He also forged a local management team, and hired production and support personnel.

The plant started on time and reached its productivity goals well ahead of target. He managed what grew to be a $9.2 million contract with Chrysler to a pre-tax profit in excess of 30%. He also established PSC's presence, leading to contracts with BMW, Chrysler – Argentina, and Ford – UK.

## General Manager of Canadian Operations

Philip Services Corporation
1988 to 1991

*Canadian Operations was a $10 million PSC business unit.*

Mr. Cromwell was hired to reengineer the organization, reduce costs, streamline operations, improve bottom line performance, and build a team to support growth into the USA.

After hiring a new management team, he aggressively transformed the firm from a project-based organization to preventive maintenance service firm. He developed and implemented an innovative business strategy that resulted in the firm's becoming a market leader as an automotive manufacturing outsourced industry provider.

During his tenure, profits increased from a loss to a profit of 20% in one year. He increased sales from 3 million to $18 million in three years, and eliminated the former revenue and profit peaks and valleys. He cut direct operating costs by 36%, and trimmed turnaround time on service orders from 7 days to 48 hours. Most important, he created an employee development plan that insured a ready supply of qualified personnel as the market grew at a 40 to 50% per year rate.

### Summary of Earlier Positions

**Paint Area Manufacturing Manager – Chrysler Corporation – Brampton Assembly Plant -1987 to 1988.** Responsible for a 150-employee paint finishing facility.

**Training Manager – Ford Motor Company – 1985 to 1987.** Spearheaded organizational development initiatives incorporating quality of work life improvements, participative leadership, employee empowerment, and process efficiency at a 2,000-employee truck plant.

**Production Superintendent – Ford Motor Company - 1982 to 1985.** Managed Body/Welding, Paint, Trim, Chassis/Final Departments.

**General Supervisor – Ford Motor Company - 1981 to 1982.** Managed trim and paint operations.

**Automotive Assembly Electrical Specialist – Ford Motor Company - 1979 to 1981.** Responsible for electrical failure and defect diagnosis and solution.