

MANUFACTURING GROWTH



DSEI

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Introduction to Lean

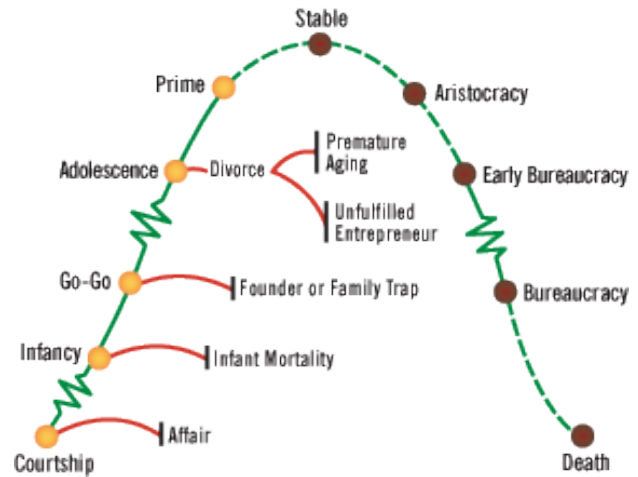
Lean is working towards:

Delivering your product or service to the customer on time by utilising the absolute minimum of resources.

Input Output	Money			Control Methods
	Men	Machines	Materials	
Level of Production (P)	→	→	→	Production Controls
Quality (Q)	→	→	→	Quality Controls
Cost (C)	→	→	→	Cost Controls
Delivery (D)	→	→	→	Delivery Controls
Safety & Environ factors (S)	→	→	→	Safety & Environ factors Controls
Workers Morale (M)	→	→	→	Labour Controls
Control Methods	Control of Manpower	Equipment Control	Material Control	$\frac{\text{Output}}{\text{Input}} = \text{Productivity}$

Introduction to Lean

1. Understand where you are now.

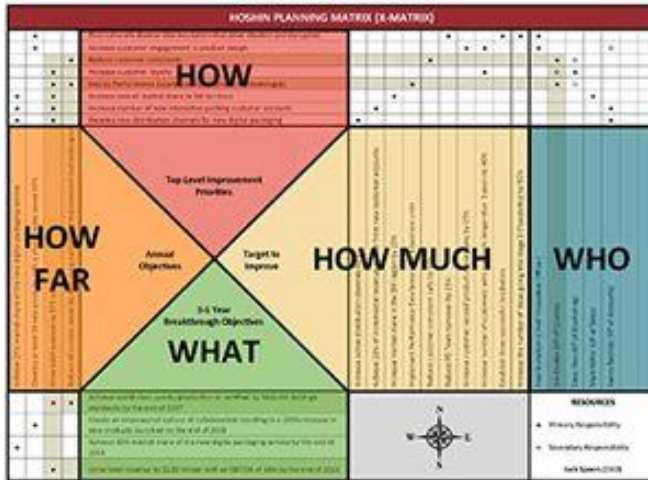


Source: Adizes



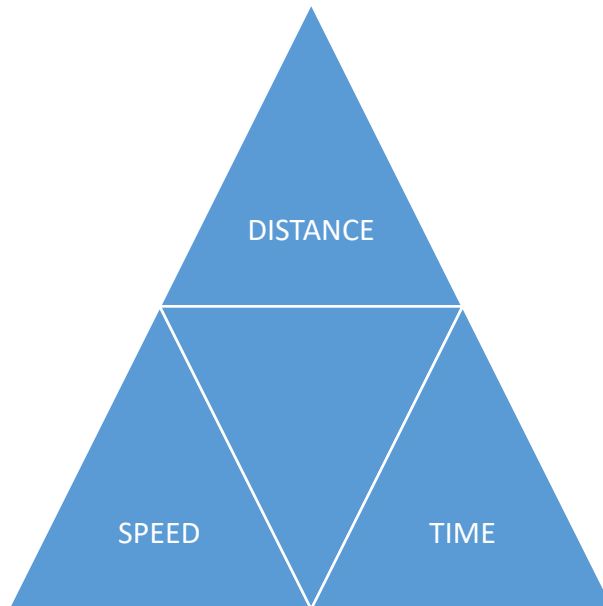
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2. Identify where you are going and the route you want to take.



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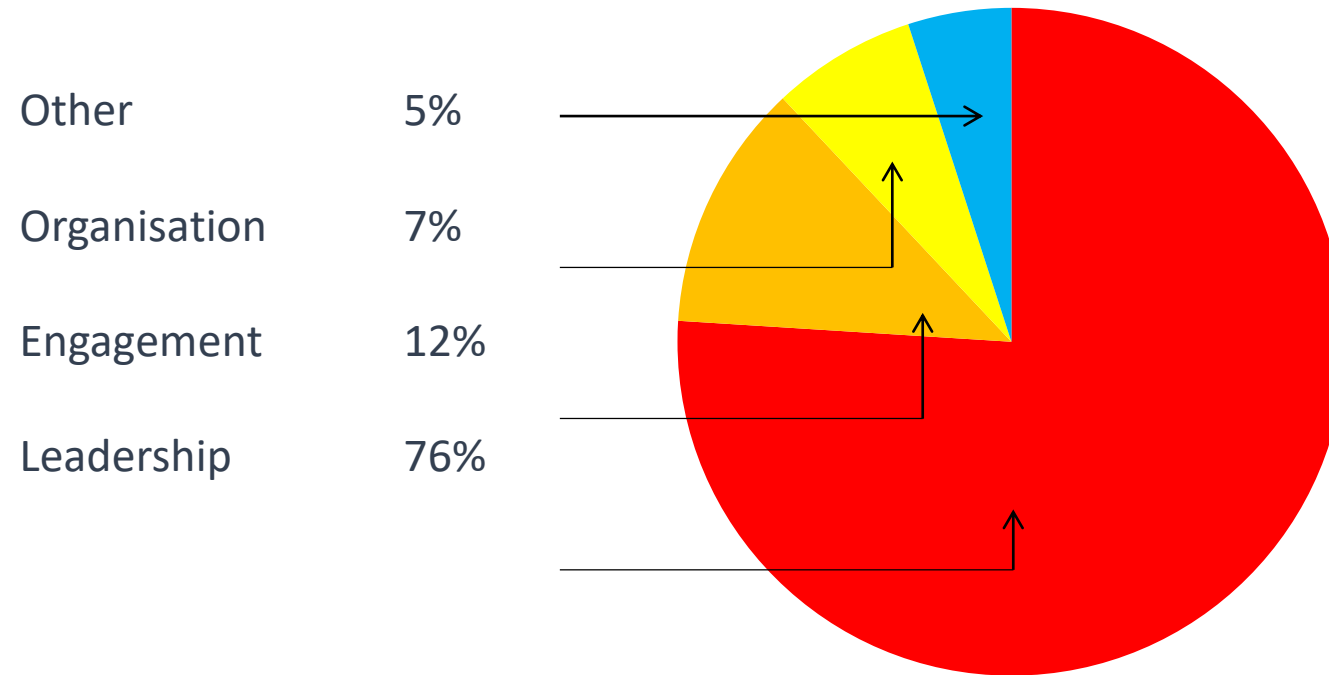
3. Plan the journey



Input Output	Money			Control Methods
	Manpower	Machines	Materials	
Level of Production (P)				Production Controls
Quality (Q)				Quality Controls
Cost (C)				Cost Controls
Delivery (D)				Delivery Controls
Safety & Environ factors (S)				Safety & Environ factors Controls
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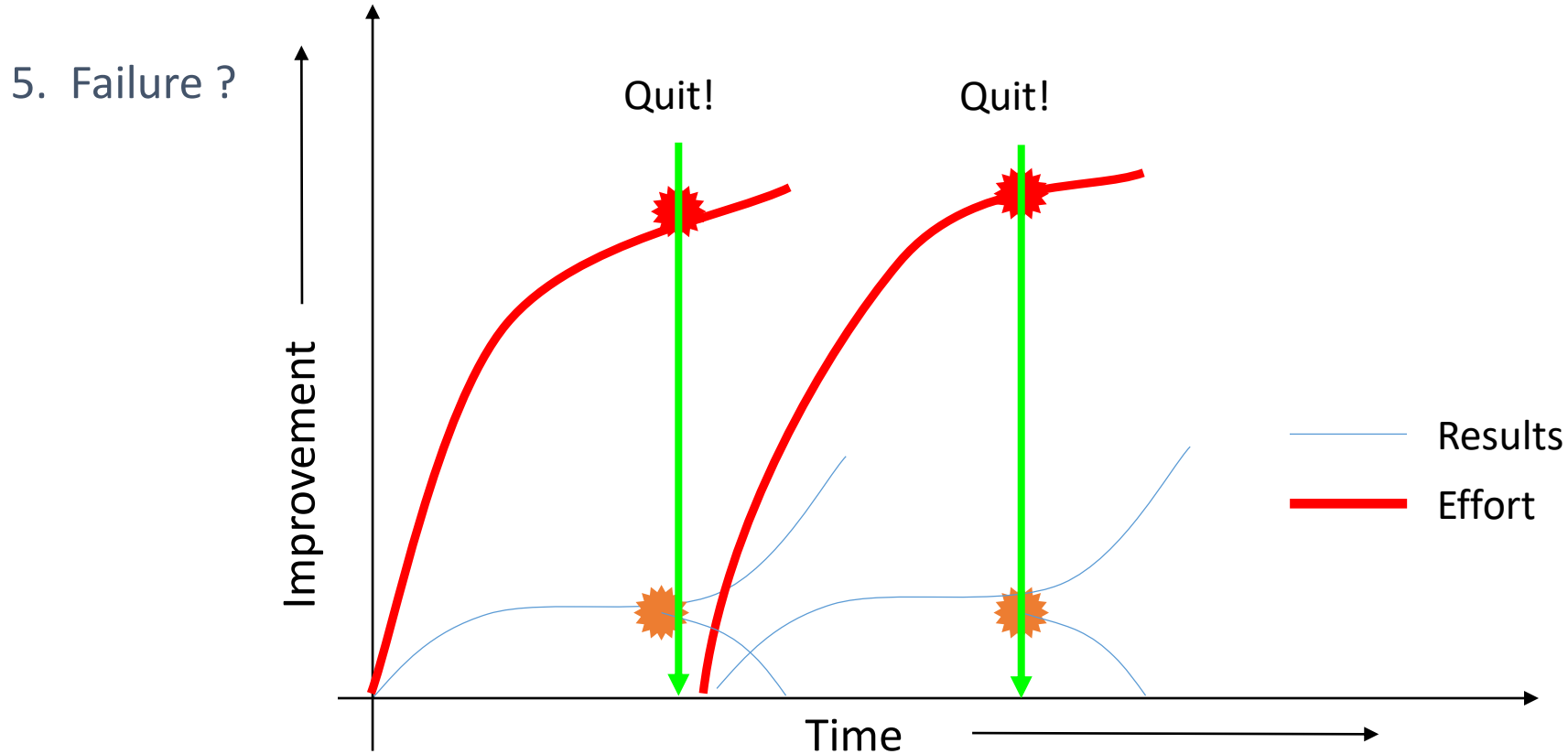
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4. Cause of Failure



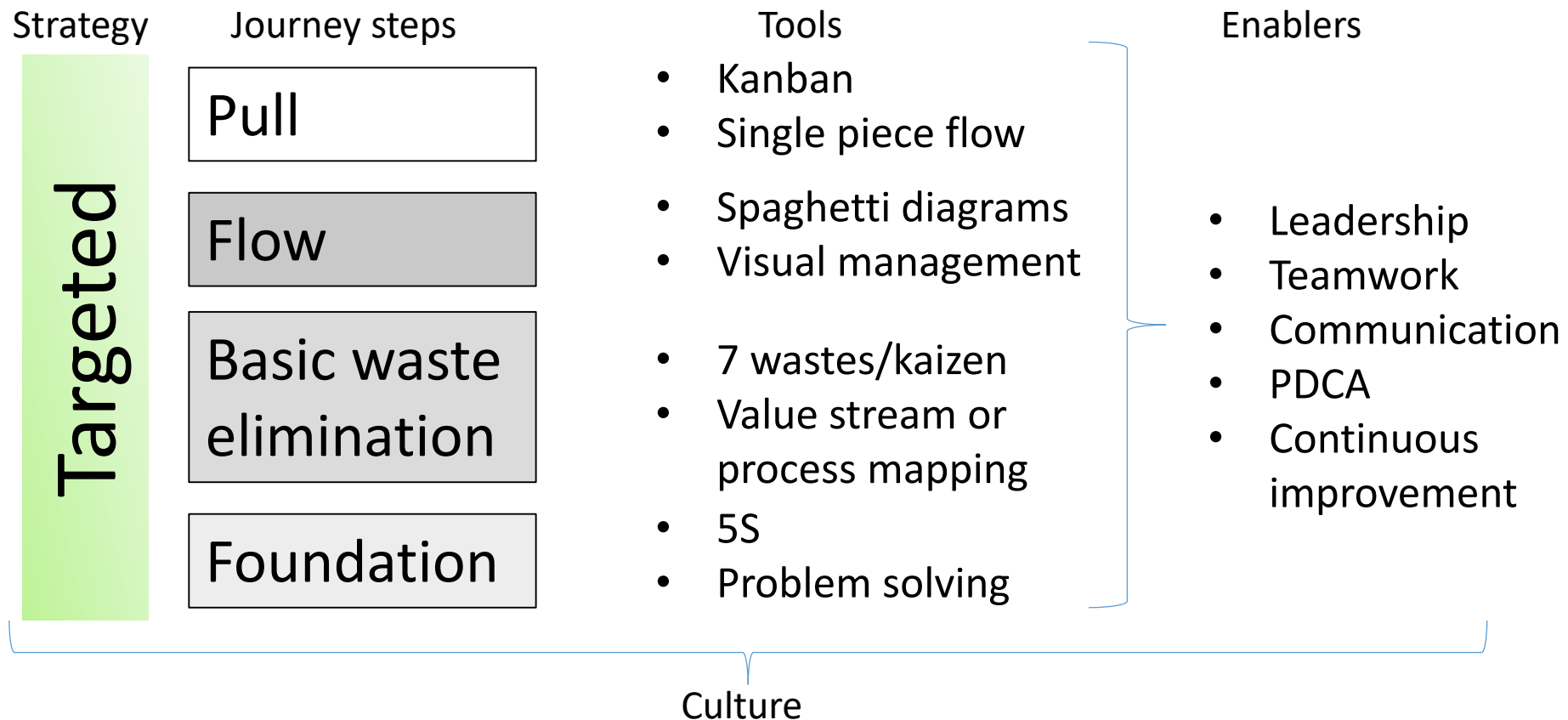
Source: EEF Informal Survey 2012

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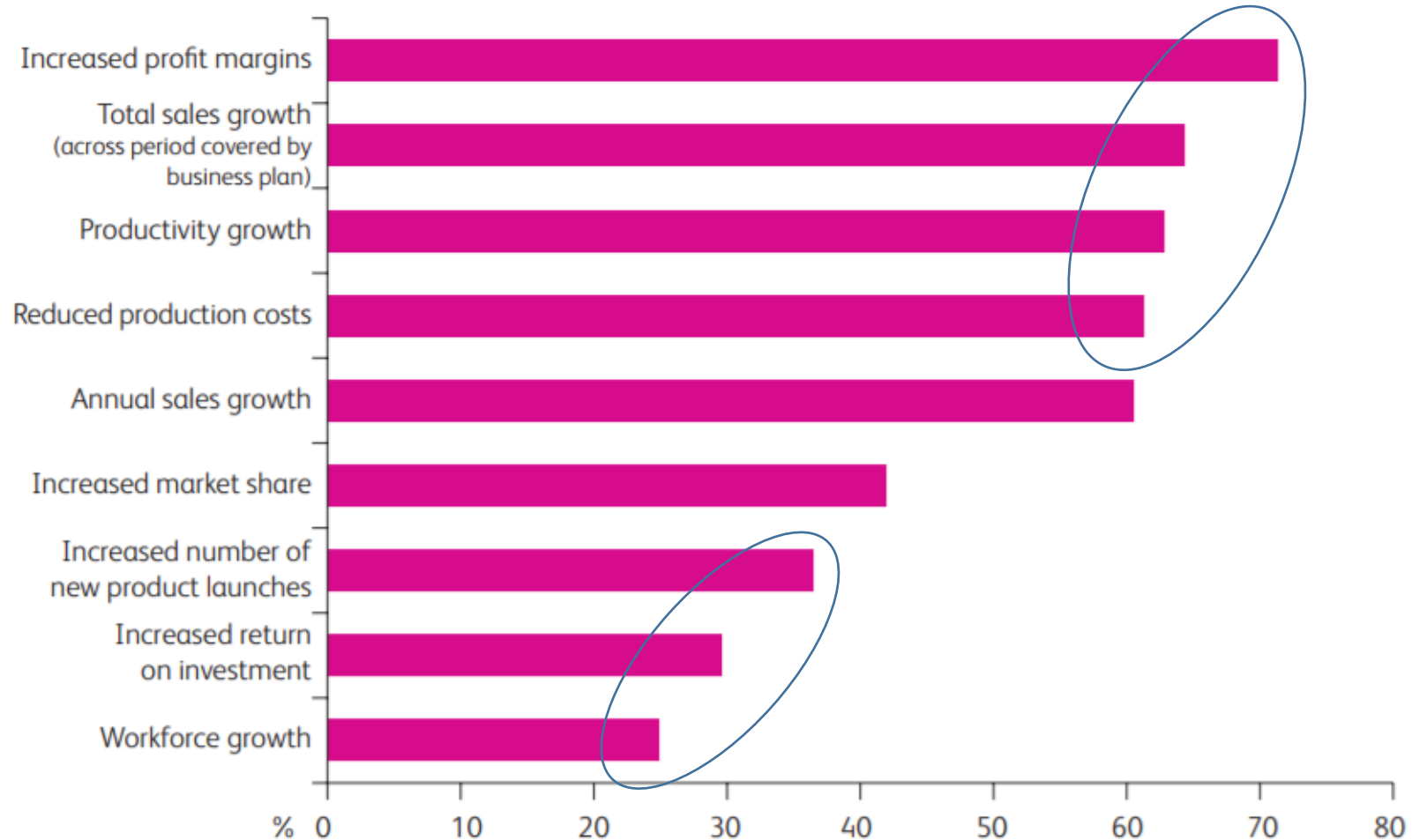
After: The Age of Paradox; Charles Handy

Introduction to Lean



What is your ambition?

% of companies citing targets in their business plans



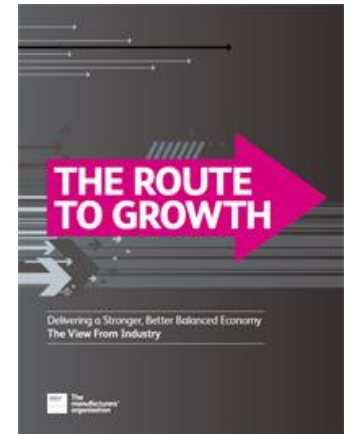
Driving Added Value - FPP Strategy?

Future Proof Performance.

Clear ambitions from government provide a clear signal that it is prioritising actions that will build on the UK industrial strengths to support the value added activities that will rebalance the economy.

Clear ambitions also provide the framework for government to work collectively (as a government and with the private sector) to overcome the obstacles in the business environment to making its vision a reality. The ambitions are:

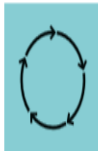
- **More companies bringing new products and services to market**
- **More globally-focused companies choosing to expand in the UK**
- **A lower cost of doing business**
- **A more productive and more flexible labour force**
- **Make UK “Manufacturing”.**
 - **Performance Profile / Lean Benchmark / Gap Analysis and deliver sustainable impact**



Future Proof Performance



STRATEGIC REVIEW



LEAN / BENCHMARK / KPIS /
LEAN ACADEMY / SIX SIGMA



PRODUCTIVITY
IMPROVEMENTS



CONTINUOUS IMPROVEMENT
CULTURE PROGRAMME



MENTORING AND COACHING



COST SAVINGS THROUGH OUR
ADVANTAGES PROGRAMME



ACCESS TO EVENTS,
WORKSHOPS AND BRIEFINGS



IMPACT MONITORING



ORGANISATIONAL
LEARNING CULTURE



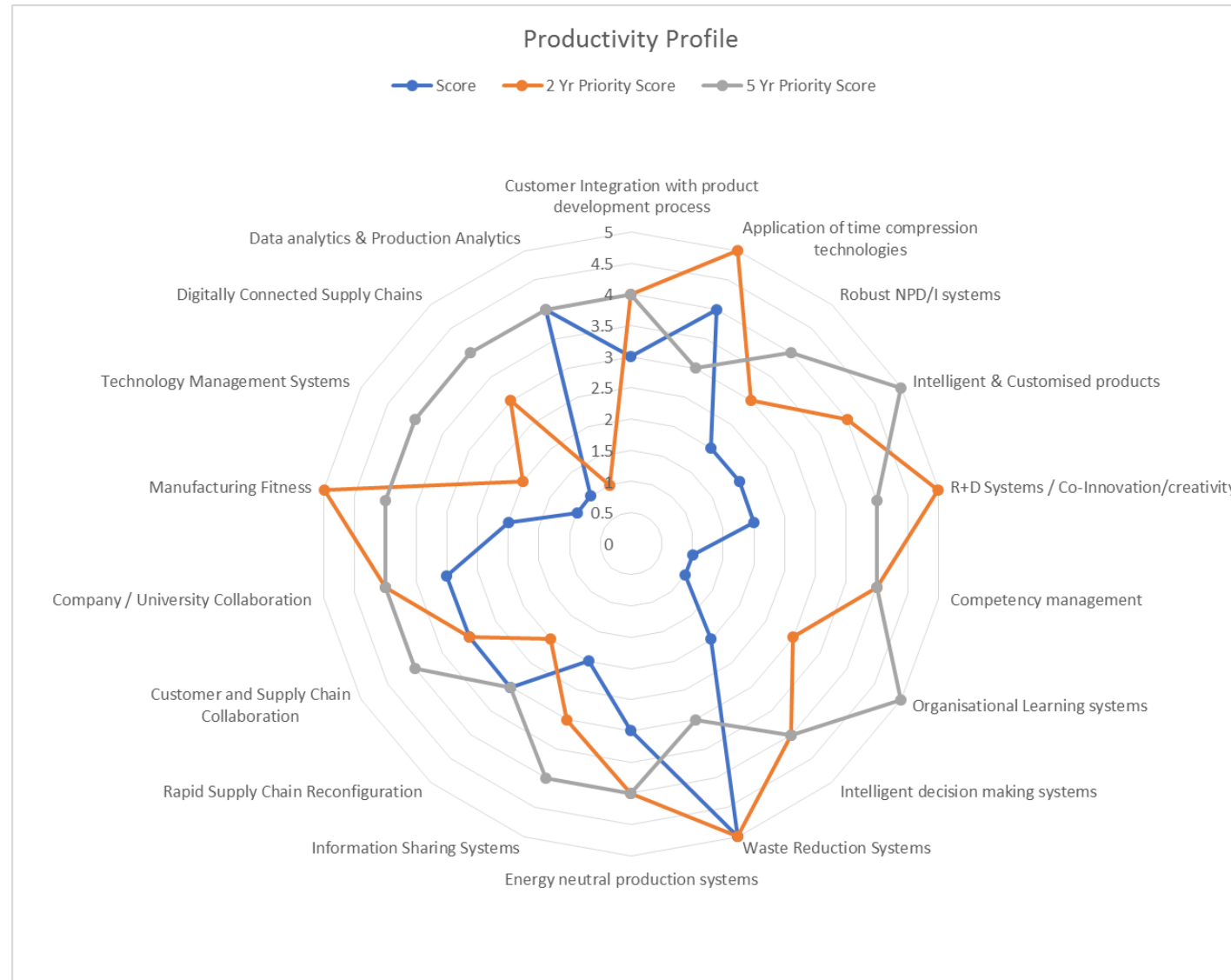
ORGANISATIONAL RESILIENCE

KEY ACHIEVEMENTS TO DATE:

- 54% increase in productivity
- 16% reduction in scrap material
- 300% increase in stock turns
- 98% + deliver performance
- 70% improvement in space utilisation
- 75% reduction in leadtime
- Reduce time to Market
- Deliver World Class Performance
- Operational Excellence –



Future Proof Performance



Future Proof Performance

Figure 2a – Productivity Profile Component Manufacturer (Mech)

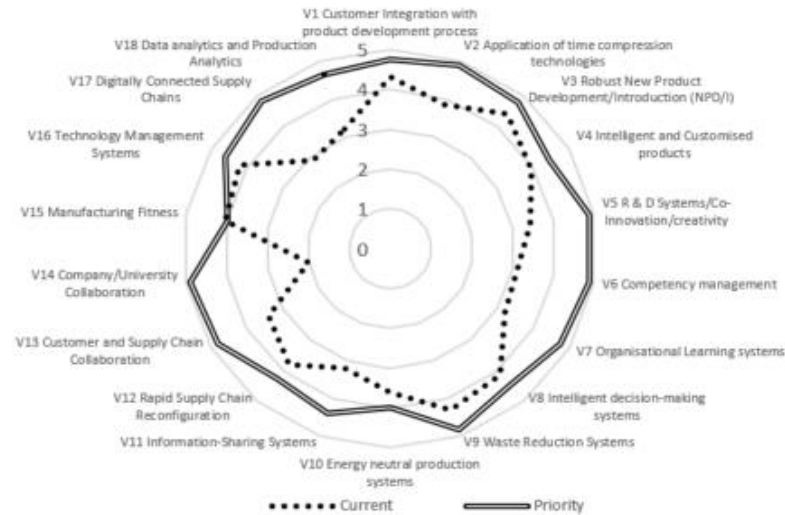


Figure 2b – Productivity Profile Component Manufacturer (Food)

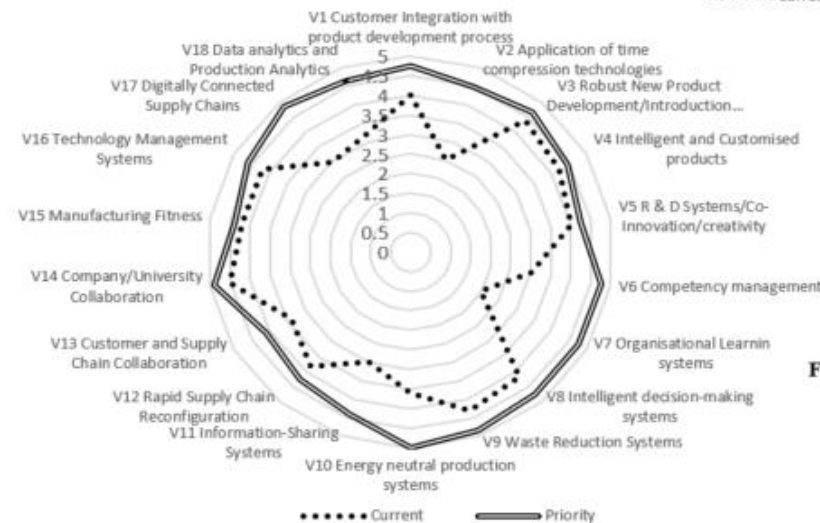
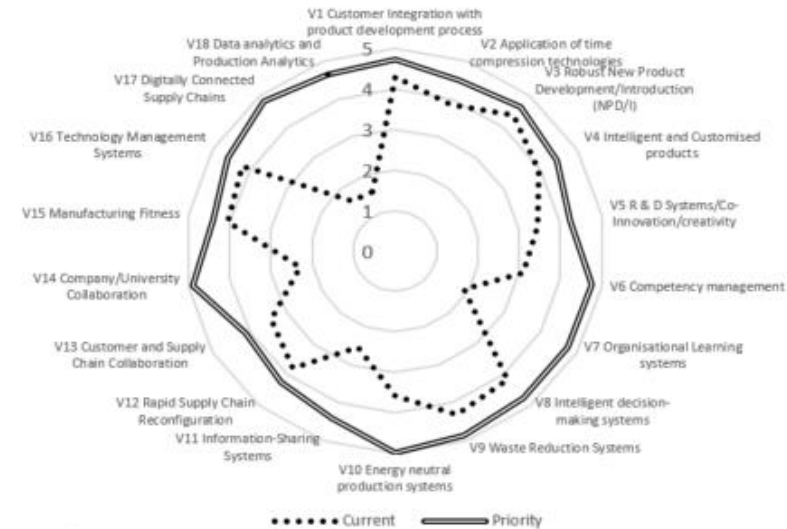
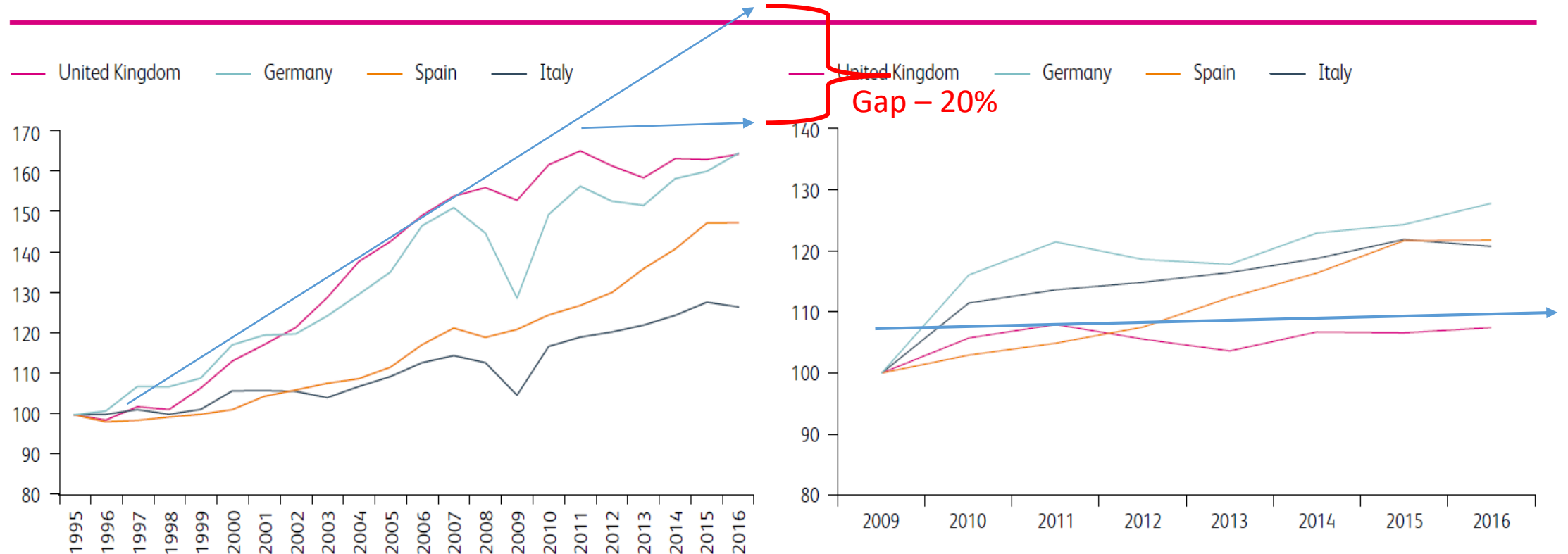


Figure 2c – Productivity Profile Component Manufacturer (Electronics)

Productivity – Getting Manufacturing Productivity Growth back on trend

UK manufacturing had strong productivity growth up until the financial crisis

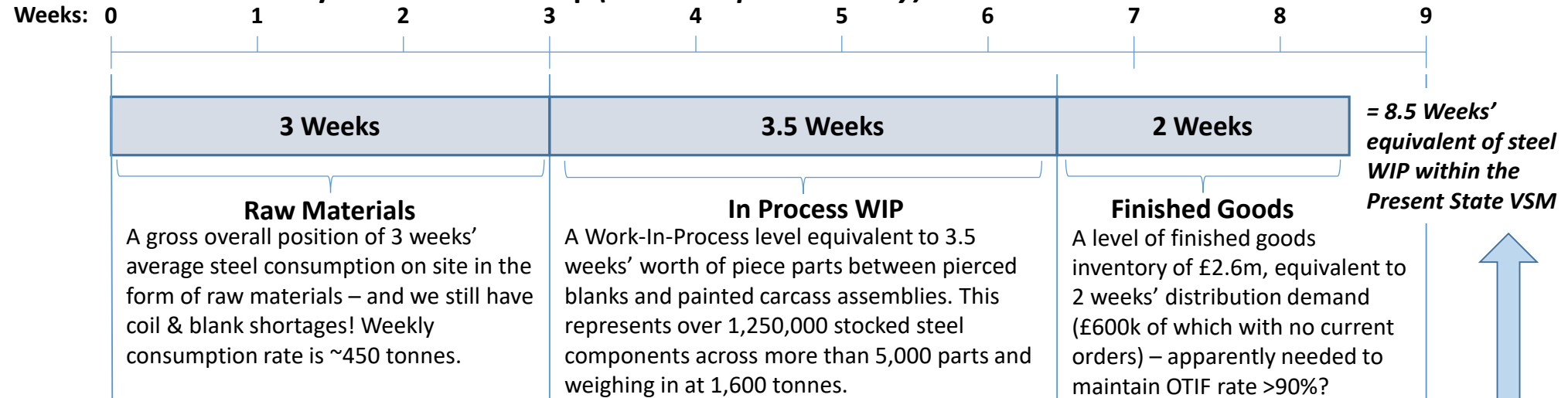
Real GVA per hour, left chart 1995 = 100, right chart 2009 = 100



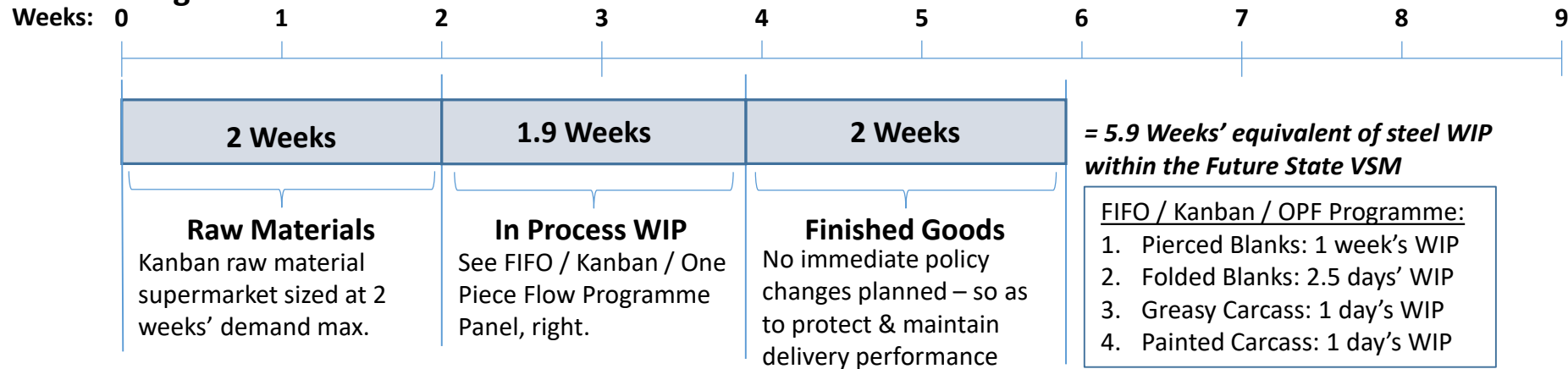
Source: Eurostat, OECD, EEF analysis

Present State Summary Value Stream Map (steel components only):

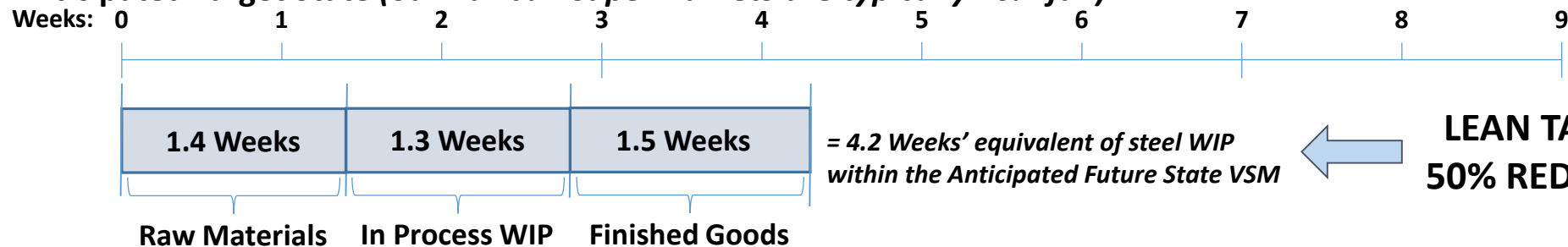
Feb-2015



Future 'Target' State:

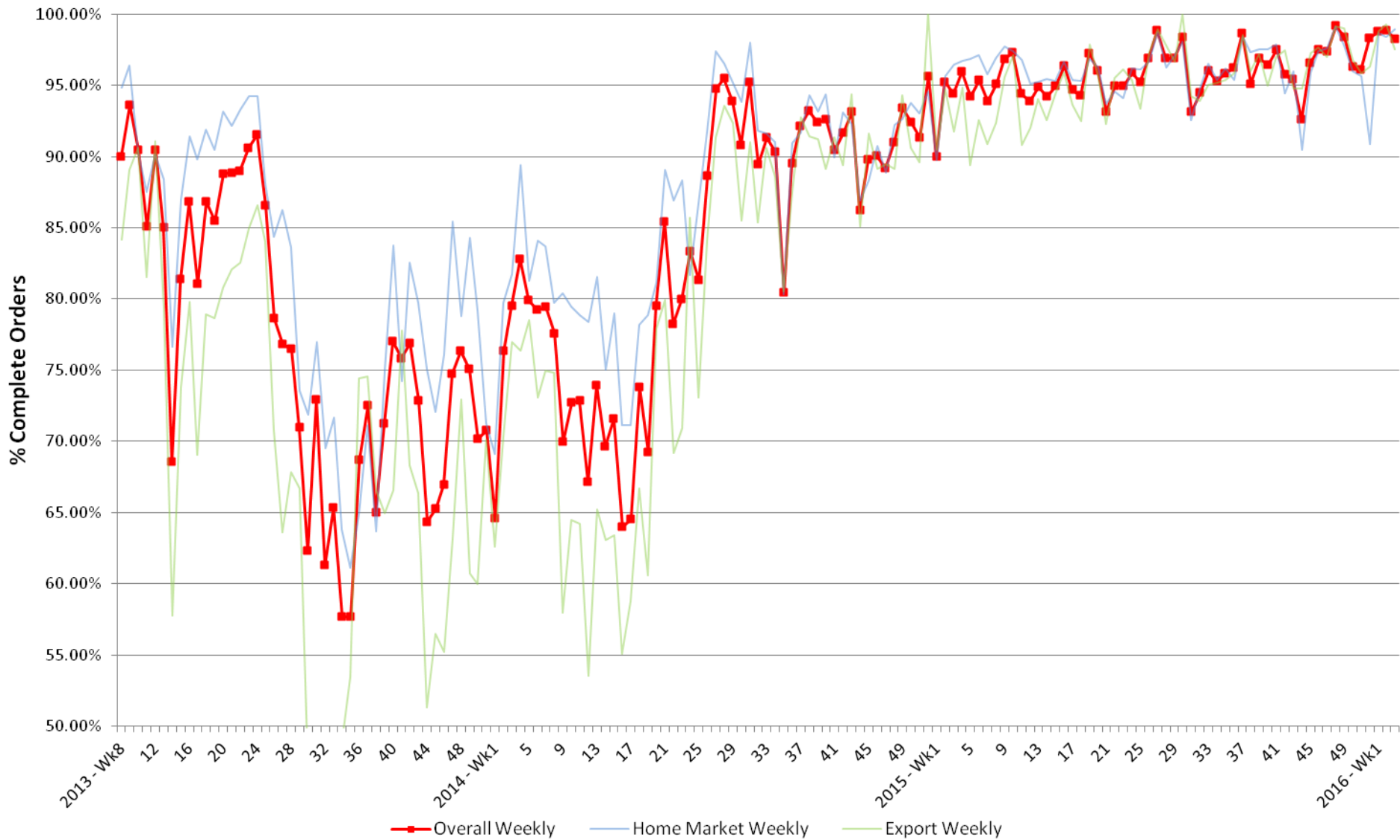


Anticipated Target State (our Kanban supermarkets are typically 70% full):



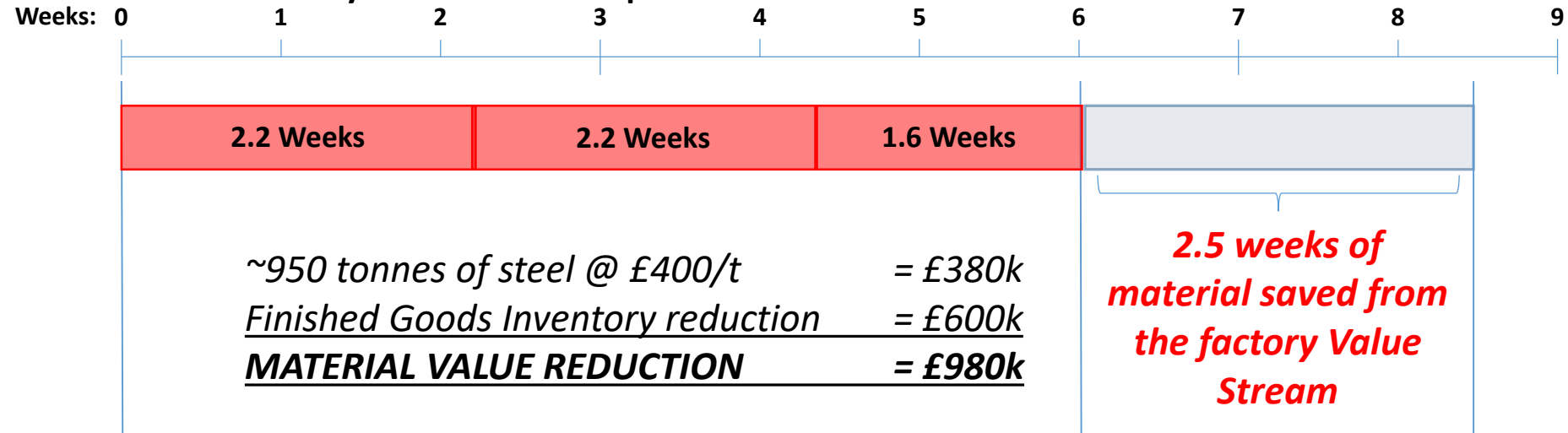
**LEAN TARGET:
50% REDUCTION**

Weekly On-Time & In-Full Delivery Performance 2013 - 2016



PROGRESS REPORT:
FEB '15 to DEC '15

Present State Summary Value Stream Map:



Anticipated Target State:



Summary

Future Proof Performance – New “ Make UK Initiative” – Drive Added Value

Business Growth / Strategy - QFD

Current state - Future State

Gap Analysis – Performance / Productivity Compass / Process Innovation.

Prioritisation – re EAP

Intervention – Based on “4 Route to Growth” themes

Plan to - Manufacturing Connect Events- Best Practice

Case Evidence – Share information / Best Practice

Manufacturing Community Network

New industry cluster / network model.