

# Northern Business Advisers

## Case Studies

Ways we have helped businesses improve



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## Steel Stockist No Longer Tin Pot Operation

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*Focusing on the big picture pays big dividends*

**Company:** Nickel Alloy and special steel stockist and distributor. Purchased 3 months before the assignment, but losing money and facing cash flow difficulties.

### Competences demonstrated:

- Development of strategic business plans
- Sales channel management
- Influencing skills
- Pragmatism
- Sales & operations planning
- Recruitment & training

### The Assignment:

I was asked to intervene by one of the shareholders with an initial brief to review the business and formulate a strategy for returning the company to profitability. Following agreement of the strategy proposed I was asked to assist the management team implement the strategy over a period of 9 months.

### Work done and methods used:

A number of approaches and methods were used over the total assignment. The key steps at each stage were as follows:

- Strategy evaluation
  - Understanding background, history, motivations and aspirations of key management
  - Evaluation of assets of the company: physical (plant & machinery, stock), staff (evaluation of experience, knowledge and capability), systems and processes, and name (with owners permission I surveyed key customers and suppliers).
  - Evaluation of position in market – perceived position from discussions of management team mapped against high level evaluation of competition.
  - Identification of internal sources of competitive advantage and core competences.
- Strategy formulation and agreement
  - Evaluated company's competitive positions
  - Worked with management through the classic strategic options available and mapped the company's position in terms of competitors, customers, market segments etc.
  - Formulated and assessed the cost of a strategy on three levels:
    - Practical – physical resources that needed to be improved for the strategy to be a success – warehouse, personnel and systems

- Market position – identified the market segments that the company would need to exit from and why, and identified the profile of markets the firm needed to identify and move in to.
- Philosophical – how the company needed to identify itself to the management and staff, and customers and suppliers.
- Strategy implementation
  - Identified and negotiated on behalf of firm for new premises and project managed (with assistance from other consultants brought in to assist) the move.
  - Project managed the change of IT and internal processes and systems
  - Worked with other consultants to review and revamp the company’s quality control and ISO 9000 systems and accreditation.
  - Assisted the management team with the writing of a business case and funding applications (successful)
  - Assisted in the specification and recruitment of key sales and administration staff.
  - Assisted the management team identify and approach key market segments, customers and relevant suppliers
  - Created marketing literature and web sites etc to promote the firm in the identified market segments.
  - Trained all company staff in the new systems, procedures and customer focus philosophy adopted by the company.

## Findings:

The management team that had bought the company had relevant sector experience, although were lacking in key skills and experience to handle the situation that the company was facing post-acquisition. The management team was also ill-balanced in terms of personality types, particularly lacking a “completer”, who could actually carry the many entrepreneurial ideas generated by the team to fruition.

In terms of market position, the firm was a very small player in a large market dominated by several large players created by relatively recent merger activity. They lacked any scope for differentiation in terms of product or supplier tie-in.

However, firstly, the management team did have in-depth knowledge and contacts for material purchasing and conversion, and a niche in supplying small quantity of non-standard product was identified as a key potential area of opportunity. Secondly, we identified two market segments that the recruitment of key staff could take the company into.

## Benefits:

- Turnover increased in first year by 35%, and in second year by a further 105%
- Losses dropped from £200 k in to £38 k in first year and to profitability in second year.
- New staff recruited: 3
- Inventory reduced by 60%

**Future action:** The company has asked for my assistance on other projects, including supply chain improvement, further new market identification and further internal process improvement.

## Boring!.....Not this Drilling Company

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*Engaging the workforce reaps massive success in turning around productivity*

**Company:** Oil tube deep hole boring engineering company

### Competences demonstrated:

- **Culture change**
- **Lean manufacturing**
- **Influencing skills**
- **Pragmatism**
- **Communication**

### The Assignment:

Improve capacity utilisation by reducing set up times on large diameter, solid bar boring machines.

### Work done and methods used:

- Multi-disciplinary project team, including shop floor workers and staff formed (myself as facilitator/team leader)
- Various analysis techniques taught to project team (cause-effect diagrams, fish bone, Pareto, why-why etc) to facilitate data analysis phase of project.
- Full analysis of production flow (including video-taping and step analysis of several set-ups), and direct cost of manufacture, undertaken.
- Evaluated results, including actual set-up sequence comparison with “standard” steps, and break down of elapsed time undertaken.
- Brainstormed and identified improvements that could be made in terms of:
  - Workflow – preparation for set-up, availability of essential equipment to hand etc.
  - Production resource improvements – redesign of jigs and boring head alignment equipment
  - Planning improvements – particularly planning “usage” of overhead cranes
- Carried out full cost/benefit analysis of equipment changes required.
- Specified and purchased equipment, jigs etc.
- Educated non-project team members of total workforce into changes in working methods to be introduced, including prioritisation of use of overhead cranes.
- Retooled key equipment to handle the changes in design introduced.
- Reanalysed new setup procedures to confirm benefits obtained.

## Findings:

There was substantial scope to improve productivity: by reducing both setup time and increase working (boring time). However, a further major benefit would be by using the project to improve team-working and communication skills on the shop floor

## Benefits:

- Productivity improvements:
  - Setup times reduced from average of 3.5 hours to 2.5 hours with consequent improvement in working time productivity
  - Better planning for the setup process itself within the overall production cycle, again leading to improved throughput.
- Improved design of jigs and tools to improve set up and calibration of set up.
- Improved material handling
- Improvement in set up planning created greater confidence in planning process as a whole, allowing material to be brought only when needed, replacing “buffer” stocks previously kept at side of machines.
- Improved understanding of shop floor priority in use of equipment with competing end demands (particularly common overhead cranes), improving communication across different work centres.
- Knowledge transfer:
- Techniques and improvements learned were transferred to other boring machines because of work force interest and sharing the results of the exercise, not management pressure.

## Future action:

Ideas introduced on large boring machine setup introduced to all other (smaller) boring machines, improving productivity across several areas of production.

## Teamwork proves the complete package

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*Using the skills and experience from across the business helps facilitate lasting change with a major impact on performance of a packing line*

**Company:** The company manufactured a range of confectionery products with a large variety of product variants.

### Competencies Demonstrated

- **Business Process Re-engineering**
- **Change Management**
- **Lean Manufacturing**
- **Training**
- **Value Engineering**

### The Assignment Aims and Objectives

To improve the operation of a mini-carton packing line. The efficiency of the line was specified on purchase and it had never been achieved. Nestle had a similar plant in Germany that was operating at near theoretical outputs. The product was fed into the carton, the flap glued, and then a number of cartons put into a bag for sale. All these tasks were done by highly automated machines.

Teams and management felt a sense of frustration in being unable to address the problems. Sales were being lost due to higher than expected costs.

### Approach - Work Done and Methods Used

Working in harness the Continuous Improvement Manager all aspects of the line were analysed for waste and downtime to identify the where the productive efficiency losses and waste were being generated. We also look at the specification of every material used from glues to the cardboard in the box, the design of the carton and the bag it went into.

As a first step these findings were presented to key representatives of the suppliers involved. These were the suppliers of the machinery, cartons, glue, and the bag the product was eventually

An improvement team was established containing key operatives from the factory, technical representatives from the material and equipment suppliers. Clearer more detailed performance

figures were established giving indications of where The carton was re-designed so it was presented and run through the machine more efficiently, glues were re-specified and the way they were used and handled improved, and the maintenance and setting up of the equipment improved. The knowledge of the workforce in the operation of the equipment and the materials being used was enhanced. Organisational changes were made to make continuous improvement possible and ensure the correct business support to the teams was in place in future.

## Further Activities

The Marketing Department were involved to ensure any design changes would not affect

## Delivered Project Outcomes - Benefits

Apart from educating and training the staff in handling , specifying and using materials the opportunities offered by value engineering were clear to the factory's Continuous Improvement team Tangible benefits included improving the operational efficiency of the line which doubled to 85%, reaching near German levels and allowed the cost of manufacture to be significantly reduced.

## Way out exit ideas

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*Thinking laterally helps two companies to novel exit routes*

### Case Study 1

The company sells tooling and has been grown by the owner/MD into a successful £1.5m turnover business. He wants to retire in 5 years and through advice from within the NBA network, the optimum exit route is an MBO. The business has bags of potential, but the existing team has no one who could take the company forward.

The solution has been to recruit someone to join the company, make the most of the potential and then lead the buy-out. Using professional recruitment techniques, several individuals were targeted who had the market, sales and overall business skills to eventually grow, manage and own the company.

After a series of interviews, one individual was chosen who had all the attributes and the motivation to own his own company.

### Case Study 2

Medium sized company with three sites and a turnover of £4m, manufacturing for the commercial vehicle sector. The MD wants to retire in 3 years and is putting together an MBO team. He has two of the pieces in place, one is on the financial side and the other sales orientated but he is missing a manufacturing specialist.

The solution was to go out and find someone to fill the requirement. This has been concluded successfully and the team is now in place to satisfy the requirements of the MBO.

*To realise the worth of your company, straightforward sale is often difficult to achieve. Organising a management buyout by recruiting highly skilled people from outside, who can improve the bottom line to help fund the buyout, may be the optimum solution.*

## Be Lean And Mean Business

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*Practical lean manufacturing principles help engineering business to bottom line benefits*

**Company** - Company manufacturing Mechanical products for the Oil /Gas Industry in North Yorkshire.

### Competencies Demonstrated

- **Business Process Re-engineering**
- **Change Management**
- **Lean Manufacturing**
- **Value chain analysis and mapping**
- **Sales & Operations Planning**
- **Training**
- **Sales channel Management**
- **Negotiating**

### The Assignment - Aims and Objectives

The assignment was to train the management team in preparation for a company restructuring; introduce lean manufacturing processes and layout a new factory in line with lean principles. Initial work was to be completed within 4 months consulting with a team of 4 consultants. The MD had bought in the consultants to implement his strategic decisions of restructuring and factory relocation. The assignment was review all practices and procedures from design, planning and control, stock management, capacity planning, purchasing. Re-design and implement the processes and measure success. The restructuring was a significant culture change and this was addressed via training workshops.

### Approach - Work Done and Methods Used

An initial mapping and diagnostic phase identified the key processes, their strengths and weaknesses and priorities for action and change, with an assessment on risk and benefit.

The initial diagnostic identified the areas that needed to be developed. The existing work practices were inefficient but the restructuring created 4 mini-businesses each with a Business Manager operating as a mini MD. Workshops concentrated on obtaining buy in to the structural and operation changes; putting measures of performance in place for throughput, lead-time, stock holding, implementation of shop floor ideas and product cost reduction. This included some of the activities below: -

- Process mapping of the production and information flow
- 5S of the area and implementation of standards
- Use of TPM on key machines
- Spaghetti charting the flow of materials and people
- Stock profiling
- Production planning

To ensure that the improvements were implemented training was given in both lean principles, how to implement improvements and the concepts of change management. Senior managers were also put through extensive training to ensure their understanding and support. Use was made of departmental or product family manufacturing process templates, which provided focus on end delivery dates, which were identified as a major weakness of the company. Internal transfer pricing was introduced.

## Further Activities

An approved DTI Business Finance Workshop was used to demonstrate the principles of financially lean manufacture. An approved DTI Sales Workshop was customised to impart customer relationship skills required by the senior management in their new roles.

## Delivered Project Outcomes - Benefits

Through a series of workshop sessions the senior and middle management were motivated to buy into the restructuring and the lean manufacturing ethos. Other non-tangible benefits included reduction of fire fighting, improved morale, shared vision and a company that wanted to put forward improvement suggestions. Tangible benefits included: -

- Equipment efficiency increased by 20%
- Failure to meet delivery times improved by 20%
- Defect rate improved by 10%
- Turnover increased by 20%

The Company hopes to continue to show the improvements in the coming years.

## Moving factory To A New level Of Performance

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*Manufacturing company takes advantage of business relocation to add value to its operations*

**Company** - Yorkshire Company manufacturing Electronic Alarm systems for high risk applications in the Process & Power Industries

### Competencies Demonstrated

- **Business Process Re-engineering**
- **Change Management**
- **Lean Manufacturing**
- **Value chain analysis and mapping**
- **Sales & Operations Planning**
- **Training**
- **Marketing**

### The Assignment Aims and Objectives

The company wished to use a scheduled factory relocation as the event to implement change and thereby increase margins via the implementation of a lean manufacturing regime. A new factory had to be laid out in line with lean manufacturing principles and the staff trained in lean manufacturing techniques. The three-year orders and sales strategy and plan were to be reviewed and amended to align with these changes.

### Approach - Work Done and Methods Used

Issues were addresses under the headings of 'Layout, Stock, Estimating, Storage & Movement, Cabling & Electrics and Building considerations. An action log was generated; the latest plan status defined and regularly updated. Improvement areas were defined and Time and cost estimates for all issues were generated.

An AS IS layout was drawn up and discussed both with the management and the production workforce. Items that were redundant and shared items were identified. A new layout was then drawn up taking into account the layout of the new building, material flow, service requirements and optimisation of existing equipment, lean manufacturing techniques were used.

Process mapping was used to develop product flow and key components. These maps were then used to produce physical layouts for the production cells. Both production and QA staff were trained in the techniques.

As an integral part of establishing a lean manufacturing regime appropriate KPIs were defined. The critical KPIs were the cycle time from issuing work orders to the manufacturing cell to products available to test and the level of units defect free at test.

## Further Activities

The three year orders and sales strategy and plan were reviewed and amended to align with these changes and to recognize the disruption of the physical facility move.

## Delivered Project Outcomes Benefits–

- Review of the design of the new building for efficient use of space.
- Layout of the new building manufacturing area consistent with fixed constraints and additional admin and engineering considerations not requiring integration.
- Improved layout of individual work cells to embrace the concepts of lean manufacturing
- Reduction in the stock stored in the new factory
- Identification of elements that could be outsourced in future
- Establishment of the principals of “lean manufacturing” assembly and test operation in the new layout

## Further Outcomes still in implementation:

- Proposals for more efficient kitting processes
- Proposals for more efficient wiring preparation both from a staff and equipment perspective.
- Proposals for more efficient Despatch and Packing process both from a staff and equipment perspective

## Overall Benefits:

- Value added per employee was increased by 25%
- Value added to the business was increased by 25%
- Delivery times reduced by 50%
- 32 direct jobs secured

The Company hopes to continue to show the improvements in the coming years.

## Slimming Down Fattens The Bank Balance

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*Merger of business operations reduces purchasing costs, releases cash from stocks and boosts workforce performance*

**Company** - Company manufacturing food products in three factories based in Manchester, Norwich and Purfleet merged with three other nationally based food factories based in the Midlands, Wales and Devon.

### Competencies Demonstrated

- **Change Management**
- **Influencing skill/persuasion/negotiation**
- **Process/ IT interfacing & management**
- **Sales & Operations Planning and MRP**
- **Training**

### The Assignment Aims and Objectives

The assignment was the synchronisation of all six factories onto shared operation planning and material planning system. The company co-opted three consultants from its current factories to implement and train in use of the above systems. The assignment included a review all practices and procedures of planning and control, stock management, capacity planning, and purchasing. Improved financial reporting, communication between the factories and economies of scope and scale were the prime objectives.

### Approach - Work Done and Methods Used

An initial mapping and diagnostic phase identified the key processes along with gap analysis in order to match the current systems in place and identify potential shortcomings and need for improvement of the proposed systems to fit the new factories.

- Process mapping of the production and information flow
- The initial diagnostic identified the areas that needed to be developed.
- Production planning

- Education and training in use of the new systems

To ensure that the improvements were implemented a team of project developers were recruited from among the current factory staff. The purpose of this was to minimise resistance and promote a participative approach to the proposed changes.

## Further Activities

The introduction of the new systems also encouraged factory staff to review their current operating procedures and introduce new practices of planning, financial monitoring and stock control both raw material and finished goods inventory.

## Delivered Project Outcomes – Benefits

- Apart from educating and training the whole staff in use of the new systems, the three co-opted consultants were able to take back intangible best practice improvements to their own factories.
- Head office gained a better understanding of the capabilities and potential of the newly acquired factories.
- Synergy of financial reporting between all the factories of end of month book closing.
- Reduction in raw material inventory (9%).
- Reduction in finished goods inventory days cover (50 days to 20 days).
- The closing down of one finished goods warehouse.
- Communications between the current and newly merged factories which were previously hostile became better and opportunities to assist each other were realised.
- Another tangible benefit was realised was that of identifying duplicated materials from multiple suppliers. An exercise of reduction of the number of suppliers was initiated and considerable costs savings in purchasing were made.

## Consultants seek Consultants' Help

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*Marketing strategy review provides Management Consultants the route to increased sales and a stronger proposition*

**Company:** Company is a subsidiary of a major multi-national – based in London.

### Competencies Demonstrated

- **Marketing Strategy**

### The Assignment Aim and Objectives

The assignment was to produce a marketing strategy that enabled the business to provide services to sister companies and to develop its own external business. Consultants were hired so that Company management could continue to focus on managing the organisation. Terms of the consultancy were on a fee basis with a bonus for achievement of pre-agreed objectives.

### Approach - Work Done and Methods Used

Our approach to developing the strategy covered six key phases: -

1. Where are we now?
  - Marketing audit
  - Market research
  - Analysis of collected dataAnalysis undertaken using a number of tools:
  - Porters 5 forces analysis
  - Step analysis
  - Portfolio analysis
  - SWOT analysis
2. Where do we want to be?
  - Establish the marketing objectives
3. How do we get there?
  - The marketing mix covering:
    - Customer needs and wants
    - Communication
    - Cost to the Customer

- Convenience
- 4. Implementation Plan
- 5. Organisational Implications
  - Analysis of organisational change required
  - Performance management
- 6. How will you know when you have arrived?

Throughout the process management were involved in consultation via workshops and meetings. Extensive use was made of Thinking Hat methodology to resolve issues as they arose.

## Delivered Project Outcomes - Benefits

In “soft” terms the strategy and the process for developing it were used as a cornerstone of the organisations direction (something that had been lacking). Staff morale improved significantly as they all began to feel part of a Company that knew where it wanted to go and they felt able to contribute.

“Hard” benefits included: -

- Sales increased by 20%
- Development of new propositions for the external market
- Widening of the customer base to lessen the reliance on existing major customers
- Increase fees to reflect the value of the bespoke services provided
- A task culture should be developed
- A performance management system should be implemented
- Marketing communications plan developed

## Plan Your Moves And Profit

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### *Business Planning and Implementing Change*

**Company:** Company produces, applies and sells a metal coating product that can be applied to any substrate based in Pewsey, Wiltshire.

### Competencies Demonstrated

- **Business Planning**
- **Change Management**
- **Organisational Development**
- **Culture Change**
- **Balanced Scorecard**
- **Performance Management**

### The Assignment Aims and Objectives

The assignment was to produce a business plan that was to set the direction of the business over the coming three years. Consultants were hired so that Company management could continue to focus on managing the organisation. Terms of the consultancy were on a fee basis with a bonus for achievement of pre-agreed objectives. The assignment was to look at the whole business and following the business plan help was to be provided on changing the organisation to format that enabled it to achieve the plan.

### Approach - Work Done and Methods Used

An initial workshop was held with management to identify the Company vision, goals, objectives and individual values. A process of alignment and refinement took place to produce an output that clearly stated: -

- A set of values to which the Company subscribed
- A vision that integrated the values with where the Company wanted to be
- Key goals that achievement of would be necessary to achieve the vision
- A set of objectives that were focused on what was needed to deliver the goals.

Following this a business plan was developed that contained the following:-

- A description of the opportunity for the Company

- Plans on how the Company will pursue the opportunity
- The marketing strategy
- The sales strategy
- Competitor analysis looking at the Strengths and weaknesses of all players in the market
- An operating plan focused on what production needs to achieve to support the sales plans.
- Identification of the key leadership roles in the organisation
- Outline of the change programme necessary using an organisational development (OD) approach.
- Risk Assessment
- Financial plan
- Funding strategy
- Exit strategy

Throughout the process management were involved in consultation via workshops and meetings. Extensive use was made of Thinking Hat methodology to resolve issues as they arose.

## Further Activities

Following agreement of the plan the output was organised into a balanced scorecard to ensure the Company focused on those things that really mattered. This became the key performance management tool within the organisation.

A full OD study was undertaken that delivered:-

- An assessment of beliefs, perceptions and attitudes across the organisation
- Diagnosis of challenges and opportunities
- A communication strategy designed to ensure everyone on the Company is aware of the work and how it was progressing.
- Agreed change targets that underpinned the scorecard and business plan.
- Implementation plan the covered:
  - Individual level change
  - Group level change
  - Inter-group change
- A measurement system that enabled progress to be monitored (this was integrated with the balanced scorecard).

## Delivered Project Outcomes - Benefits

In “soft” terms staff morale improved significantly as they all began to feel part of a progressive caring organisation where their say counted. Additionally management started to acquire skills that improved their leadership capability.

“Hard” benefits included: -

- New investment attracted
- Sales increased by 25%
- Profit increased by 15%
- Staff turnover down by 60%
- The Company is now on the way to achieving their vision.

## Swot Your Way To Success

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*Personal Coaching - Helping someone achieve their full potential.*

### Competencies Demonstrated

- **Personal development**
- **Career development**
- **Coaching/mentoring**

Individual worked in the public Sector for over 20 years, progressing steadily through the ranks. This person had the opportunity to take redundancy but did not know what she would do if she did.

### The Assignment - Aims and Objectives

The assignment was a complete review of her life to date identifying the key inhibitors stopping her understanding what she liked doing and therefore what she was good at doing. Then to build a plan using a variety of thinking tools to create and develop a new life for her.

### Approach - Work Done and Methods Used

An initial psychological profile was built up with the client identifying what she thought was her strengths, weaknesses, likes, and fears and why she thought this. She then put a value on herself of what she felt she was worth was worth.

We then agreed a simple action plan using different thinking techniques such as PMI, Parallel, horizontal, lateral, individual mind mapping, creative alignment, outrageous action etc. to identify which she was most suited to use.

The next stage was to review and challenge her previous thinking using these techniques. The change in their views at this stage always has a huge impact on any client and it is important that a professional understands the psychological make up of the client at this point if it is to be successful.

At this point we built several plans for each area of her life with subjective targets and measures aimed at real performance improvement rather than the traditional comparative targets.

## Delivered Project Outcomes - Benefits

The client now has

- Developed and achieved self confidence, self trust, self awareness, intelligence, self esteem, positive body image, overcome feelings of inadequacy that prevent you achieving.
- Identified her inhibitors and new methods to deal with them
- Eliminated her fears which previously had prevented her you doing what she wanted to do.
- Helped her understand what she wants to do, why she wants to do it and when she is going to do it.
- Challenges best practise suited to other people and creates her own best practises.
- Explode myths of psycho-babble such as being forced to think positively when negative thinking is possibly appropriate
- Gives her more possibilities and options
- Improve decision making capability

Tangible benefits included: -

- Substantially increased her earning power by 80% in 6 months.
- Took up a new sport and became a club champion in 2 years from scratch and an international champion.
- Achieved all her personal short and medium term goals well ahead of plan.
- Achieved some of her long-term goals

## Careful Buying Improves Profit

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*Procurement - Developing, implementing, and benefiting from a leading edge added value strategy*

**Company** -The company is the UK arm of one of the worlds leading FMCG manufacturers. Turnover in the UK approached £2bn. The products are all famous brands

### Competencies Demonstrated

- **Business Process Re-engineering**
- **Change Management**
- **Lean Manufacturing**
- **Training**
- **Innovation and product development**

### The Assignment Aims and Objectives

The company needed a new strategy developing to improve the value it gained from the primary materials bought. These accounted for approximately 45% of sales cost. The strategy had to be implemented across all aspects of the business, which had four operating divisions and 28 manufacturing units. It was important to increase the focus of the inbound supply chain to meeting customer services targets. The assignment incorporated reviewing review all practices and procedures from design, planning and control, stock management, capacity planning, purchasing. Supplier appraisal techniques and KPI's were introduced. It was important to reduce the non-added value activity in the business and it was expected to change the way in which suppliers were managed.

### Approach - Work Done and Methods Used

In the UK this has meant changing the culture of the business so that it now works in harness with its suppliers – reduced in number by over 85% - rather than having the adversarial relationships of old. Partnerships with the suppliers have been created and the benefits sold within the business. During this time, this changed the focus within Purchasing from being a transactional activity to one seeking value

To ensure that the improvements were implemented teams in the manufacturing units were formed with local responsibility delegated.

Over 300 staff were trained in supplier development and appraisal; this was a 3 day residential course. Over 1000 visits made to supplying manufacturing units to evaluate and where needed to improve their operations.

Development of e-Commerce techniques enabled the planning, forecasting and scheduling activities to be optimised for lean manufacturing.

A series of supplier events were held where business targets were shared and supplying companies were expected to buy into. This was followed by workshops (over 40 in total) in which the supply chain from the suppliers sources to the delivery of finished product were revamped to improve speed, certainty and cost of supply.

Innovation events were also held with some 60 suppliers in partnership with the Marketing Department and the R&D centres to aid product innovation. Although organised in the UK some of this was attended by the European sister companies.

## Delivered Project Outcomes - Benefits

There has been a steadily improving performance against external and internal benchmarking exercises paid on prices paid. Internally the prices paid eventually matched those of the sister companies in Europe who costs were traditionally lower. Additionally in an external benchmarking activity with 26 Blue Chip companies the company steadily climbed the rankings until achieving almost prime position.

The record on supply issues of waste, badly performing materials or faulty finished products has dramatically reduced

The company is not much better placed to address its brand innovation and renovation activities.

## Cutting Out The Waste

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### *Engineering – Improving Lead Times, Waste, and Shop Floor Data Capture*

**Company:** Special Steels forge and rolling mill

#### **Competences demonstrated:**

- **Process/IT interfacing**
- **Organisational development**
- **Culture change**
- **Influencing skills**
- **Pragmatism**

#### **The Assignment:**

To reduce production lead times, improve shop floor data capture and reduce production waste through unplanned idle time.

#### **Work done and methods used:**

- Reviewed production processes to determine where current information capture was leading to errors and wastage.
- Investigated production planning methodology and compared “planned” versus “actual” performance, and to the extent to which non-performance was captured, causes investigated and corrective actions fed back into subsequent plans.
- Determined projected savings from improvement “targets”
- Selected pilot area for change (Single Pass Rolling Mill)
- Determine solutions and changes to computer planning systems, job card paperwork design and flow, and shop-floor data capture methods.
- Specified computer system changes, and tested and implemented completed system changes.
- Educated supervisors and key shop-floor personnel on reasons behind the changes. Obtained their commitment to use the changes to improve their production performance.
- Piloted new production planning systems and methods of shop floor data capture.

- Reviewed effectiveness of new systems, modified as necessary and repeated until targets met.
- Implemented changes across the whole production facility.

## Findings:

- Production lead times - 6 weeks to 18 weeks depending on product, but actual hot working time measured in days.
- Stock holding - WIP valuation equal to 2 months production cost of sales
- Overall productivity - Time to process customer order to job card launch taking on average 1 working week.
- Waste - Unspecified wastage resulting from “lost” WIP production orders.

## Benefits:

- Increased flexibility:
  - Production lead times reduced by 20% on average and contributed to improvement in customer service and more flexible approach to meeting short lead-time orders.
  - WIP values reduced by 30%
  - Time from customer order receipt to works order launch reduced by 50%
  - Works order changes identified and new works orders or changes completed within 1 working day
- Financial performance improvement:
- Reduced production cost base of company
- Improved cash flow

## Future action:

- Planning system changes created follow on development improvements of :
- Customer focused management information system for early alert of production problems
- New costing system to aid price setting, leading to improved customer satisfaction levels and improved profitability.

## A Strategy For Success

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### *Business Turnaround - Transport Company*

**Company** - Company providing public and private transportation and logistical services together with workshop facilities. Based in Buckinghamshire

### Competencies Demonstrated

- **Strategic Planning / Strategic business plans**
- **Business Process Re-engineering**
- **Marketing Strategy**
- **Training**

### The Assignment Aims and Objectives

The assignment was a business turnaround, creating a profit making core that could be extended through acquisition and organic growth. This involved the production of a strategic framework, the identification of an appropriate marketing strategy, positioning strategy together with training for senior staff members to enable to new success to continue. Cost saving was carried out in parallel to this to recover funds where possible and improve the cash position.

### Approach - Work Done and Methods Used

An initial diagnostic phase identified current processes and aspirations within the company. Using strategic planning methodology it was possible to generate new ideas, validate existing plans and translate them into practical solutions. The same methodology enabled directors to identify the importance of positioning in the marketplace. Strategic leverage was used to further improve the results that could be expected and to provide a basis for the marketing strategy. A training programme was designed and implemented to engender strategic thinking throughout the organisation, starting with the senior management team. Once this had been completed, the company was able to successfully complete the acquisition of a competitor to boost growth.

### Activities included:

- Strategic planning workshops
- Porters 5 forces, SWOT/TOWS
- Improved financial systems
- Introduction of process flow reporting

- Activity planning and budgeting
- Leadership Development
- Key skill training for senior management

## Delivered Project Outcomes - Benefits

The company was able to stop fire fighting, instead being able to invest time to think and act in a strategic capacity. Senior management was trained to work in a supportive capacity and in turn provide training to those who reported to them. An overall improvement in efficiency and morale was quickly noticed. Other benefits included:

- Turnover increased by 100% in 9 months
- Net profit increased by 80%
- Productivity increased by approximately 45%

The success of the company has been at such a level that they are now actively seeking to open additional satellite branches to extend the business model.

## Re-Engineering their Future With A Good Plan

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### *Business process Re-engineering and Added Value Mapping*

*Company*-Dry Powder mix in the food sector

### Competencies Demonstrated

- **Business process re-engineering**
- **Change Management**
- **Lean Manufacturing**
- **Training**

### The Assignment Aims and Objectives

To look at all aspects of the manufacture of the manufacture of the powder mix operation from the suppliers operation to the products sold and marketed.

Working in harness with the factory management team together we looked at the specification of all the materials (£12m pa spend, which equated to about 50% of manufactured cost) , the operational requirements of the factory from planning through to manufacturing and despatch, and also confronted sales and marketing in some of their difficulties they were creating for the factory. Also suppliers were challenged in their specification and delivery quantities so we could move to lean manufacture. Additionally sources of new opportunity in sales were also sought by using suppliers NPD departments.

### Approach - Work Done and Methods Used

An initial mapping and diagnostic phase identified the key processes, their strengths and weaknesses and priorities for action and change, with an assessment on risk and benefit.

The initial diagnostic identified the areas that needed to be developed. As a first step the 6 key suppliers were asked to attend together an Open Day at the plant. During this there was a full tour of the manufacturing facilities and some of the operational issues explained. Then in an open forum the business and factory objectives were presented and explained. Suppliers were then asked to return individually and bring with them some ideas using their products where the business could be improved. These sessions were held in workshop format during which the value chain from their suppliers to our customers was explored. The opportunities were collated and teams from both businesses prioritised them and teams were established to implement the key suggestions.

## Further Activities

The project was designed to interface with the improvements the factory desired particularly in the areas of organisation of the manufacture, improved planning and a better utilisation of the plant. The Marketing department were keen to increase their range of products and this was keen to have a more important cost position which for some of the customers was of prime importance.

## Delivered Project Outcomes - Benefits

The benefits obtained were measured in terms of

- Operating costs
- Material costs
- Cost of sales of the factories products

Better inclusion of the management team into the decision making on procurement and marketing was also achieved.

A saving of £0.7m out of a spend of £12m was produced. Materials were brought in JIT and some of the recipes altered to facilitate low cost manufacture. Factory was made fully aware of the full potential for improvement that could be achieved and given the means and responsibility to make the necessary improvements.

Company hopes to continue to show the improvements in the coming years and to show to the group how they were obtained and transfer skills and techniques where they can.

## Flying High At Start-up

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### *High Tech Start-up*

**Company** -One of our associates became a non-executive director of a company to assist in its start-up. The use of his contacts inside and outside the NBA network was crucial to the successful launch of the venture.

### Core Competencies

- **Marketing and sales**
- **Contract negotiation**
- **High-tech R&D expertise**

### How did we become involved?

- Initiated by informal discussions with a UK professor at an international conference
- Assistance given to establish a joint venture company between the professor, the university and the UK Civil Aviation Authority.

### What have we done for the company?

- Operating formally as a non-executive director
  - Defined the JV's market and product strategy satisfying the R&D objectives of the Professor and the commercial objectives of the university and the Civil Aviation Authority.
- Operating as a management team member
  - Negotiated and secured a European Space Agency contract that underpinned the JV company for three years and provided follow-on contracts.
  - The contracts expanded and supported a complete departmental research team, brought income and wider commercial contacts to the university and fulfilled technical and commercial requirements of the UKCAA.

## Achieving Their Overseas Objectives

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### *Outsourcing Abroad*

**Company** - A small design engineering company adequately financed but lacking a management capable of achieving the international business potential of the company's products. Through use of NBA it was possible to successfully market and manufacture the products overseas.

### Core Competencies

- **Outsourcing in China**
- **Marketing & sales - UK and overseas**
- **Business plan development**

### Client Objectives

These were to outsource the manufacture of a range of domestic heating boilers with a key feature world patent heat exchange unit, for export to EU/S.E. Asia/Africa/S. America & USA.

They also wanted enter the burgeoning domestic markets of China.

### How did we assist?

In conjunction with the client we formulated a business development plan to achieve the objectives whilst negating exposure to financial and patent copyright risk.

We then implemented the plan on behalf of the client by locating a suitable strategic partner manufacturing company that fulfilled all the required criteria as agreed within the terms of reference of the business development plan.

We are continuing to support the client both 'on site' in China and in the UK as part of their management team to ensure their interests remain secure and product market potential maximised.