



Display of excellence

Sarah Bower is carried away by the enthusiasm of Michael Rimmer, head of operations at Whiteghyll Plastics, for the way his company has embraced and benefited from change

Whiteghyll has come a long way in its 14-year history, but progress since the beginning of 2003 has been unprecedented. Originally concerned with the supply of engineering plastic products, in 1997 the company acquired a screen printing business, adding full colour printed media to its existing range of plastic point of sale products. In 2001 it relocated to a new, 2000 square metre facility, and acquired digital printing equipment. Today Whiteghyll is in "the top quartile" of UK suppliers and fixers of quality shop fittings to the major retail sector.

When Mike Rimmer joined the company in April 2003, it had become a victim of its own success. Although sales were growing at the rate of 30 per cent year on year, gross margins were slipping. Rimmer immediately identified 'a lot of issues', including excessive stockholding and too rapid sales growth leading to 'reactive production'. Production planning was 'appalling', and although 80 to 85 per cent of deliveries were on-time, "they had to pull out all the stops to do that," which was

eating into margins. An out of date IT system, bespoke for the plastics industry, had failed to keep pace with the move into screen and digital printing, which proved difficult to see which of the business areas the loss in margin were attributed.

Rimmer introduced what he calls his 'road map' – a combination of benchmarking and techniques of lean and cellular manufacturing. Within 12 months, he saw a significant improvement in profit. By July 2003 the month on month gross margin was up by 10 per cent. Production capacity has increased by 200 per cent thanks to cellular manufacturing, with a gain in floorspace utilisation from £6700 per square metre to £62,000 per square metre. The key to this turnaround has been the move from "an old, traditional plastics, big bulk, big batch manufacturing company to a lean manufacturing company" based on single piece flow, which has also helped to bring average lead times down from seven to one or two days.

"We looked at cellular manufacturing in terms of 5S philosophy," said Rimmer, "all the right

Above

Part of Whiteghyll Plastics' improvement programme

signage, everything in its right place, everything to hand. At first I didn't think it would be applicable in this environment, it's completely new to this sort of industry, but it was. I planned the shopfloor in terms of layout of cells, then we trained the shopfloor staff in 5S principles. I'm a very holistic person. I believe in a hands on approach to change management. That really got the guys on board early on. The guys on the shopfloor could see the benefits instantly." The workforce was so committed to the proposed changes, that they even came in at weekends to build the cells. Since the alpha cell was piloted in October 2003, not only has Whiteghyll's management been able to dispense with expensive plans to relocate yet again, but has been able to convert its warehouse into a machine shop, purchasing a £70,000 CNC machine to "bring all the sub-contracted cutting back in-house." Rimmer has also involved the workforce in the development of a skills matrix which forms the basis of an ongoing training programme.

All this looks simple on paper, but has not been without its challenges. Rimmer joined Whiteghyll

under difficult circumstances, making the transition from consultant under the world renowned and prestigious Cranfield University's Fellowship of Manufacturing Management programme to head of operations on the unexpected death of the company's owner nine months after his arrival. Although the workforce were supportive of his proposed changes, senior management were initially harder to convince and although Rimmer is now confident of support at all levels of the business, "there's still a lot to do. We're still expanding rapidly. We're expanding the cellular manufacturing approach so our shopfloor will increase, with between two and four new cells coming on-stream next year, increasing our capacity by a further 200 per cent. We're also starting to work closely with our suppliers in terms of lean and supply chain."

Whiteghyll is currently working on a significant contract to convert 300 plus retail stores during 2004/2005 to supply and fit merchandising aids. "We're rapidly expanding that type of business," commented Rimmer, whose optimism and excitement about the future seem more than justified. ■

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