

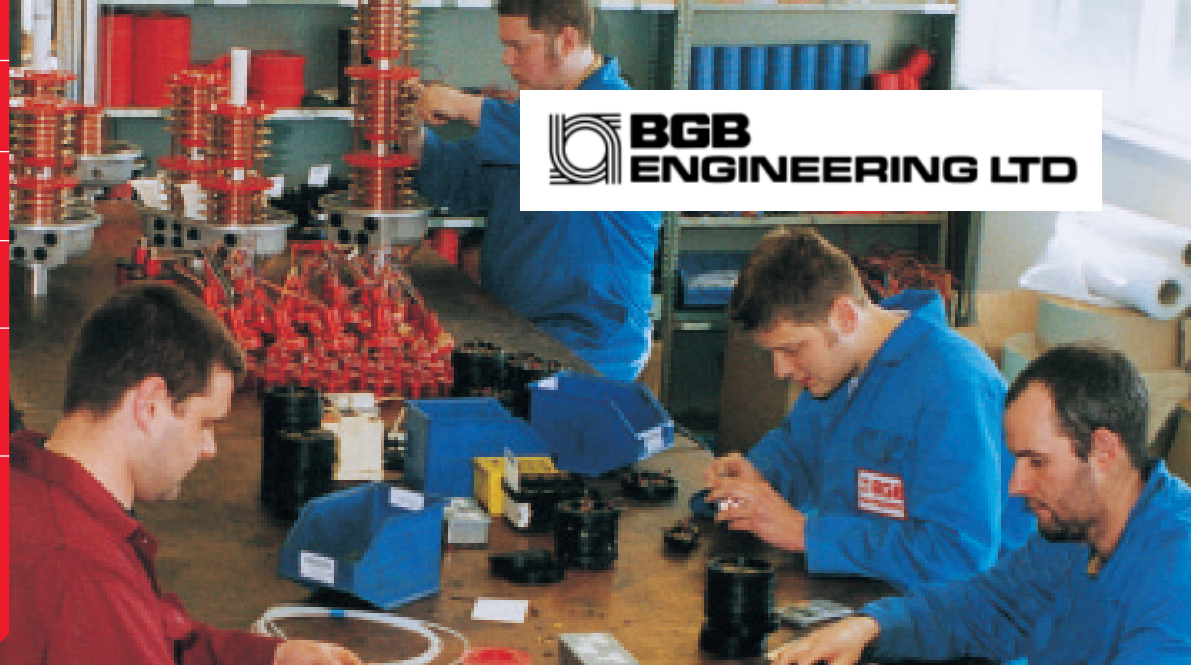
NAME
BGB Engineering Ltd

LOCATION
Grantham, Lincs.

EMPLOYEES
37

SPECIALITIES
JIT, teamworking,
cell manufacturing

INTERVIEWEE
Steven Smith, Factory
Manager & Deputy
General Manager,
Melles Griot Ltd



Finding inspiration

Melles Griot Ltd is an Ely-based manufacturer of equipment for the fibre-optic telecommunications industry – a combination of ‘high-precision and metal-bashing’ employing 70 people.

In June 2001, Melles Griot’s Factory Manager and Deputy General Manager Steven Smith chose to visit BGB Engineering, a small firm of electro-mechanical engineers. His choice was founded on BGB’s reputation as a forward-thinking company that has progressed on the basis of empowered teamworking and lean manufacturing – ‘all these things rang bells with what we’re trying to do here’.

Beginnings

Steven’s day with BGB, at their headquarters in Grantham, Lincolnshire, included a chance to see their manufacturing and teamworking philosophies in action during a guided factory tour.

Teams at BGB are organised by product and customer, to really encourage customer focus. They are empowered to control a range of business issues such as Kaizen material, quality, maintenance and training. Teams also have a major say in every company policy decision.

A new cell structure

Inspired by what he learned from BGB employees – including Managing Director David Holt – Steven immediately set about implementing changes within his own company. These were designed to create leaner, more flexible working by teams of multi-skilled personnel.

Within weeks, Steven had achieved management buy-in for the creation of seven new cell leaders, one for each work area across the business process. These cell leaders were to be included in the company’s weekly production meetings, as a way of involving staff from the shop-floor and seeking grass-roots input on manufacturing topics.

At these meetings, production issues from the previous week can now be discussed and any changes can be put in place ready for the next week’s work.

*Malcolm Coleman, General Manager, Iluma Lighting

Skills-based salaries

In May 2002, Steven began the next stage of the strategy. A skills-related salary scheme was introduced to incentivise and underpin the company’s cell manufacturing. Once employees had been assessed according to their skills, two salary bands were created – skilled and semi-skilled – each of which was sub-divided into three levels, based on defined skill sets.

Employees will now have a strong incentive to acquire new skills in order to move upwards through the six salary levels – so increasing overall skill levels and flexibility within and between cells. This multi-skilling is to be backed-up by a more formal mechanism for on-the-job training.

Steven is now eliciting the reaction of his employees and is planning to review the results of the salary scheme in October 2002.

An excellent visit. All members of staff were very enthusiastic and all managers lead by example.*

Business impact

These initiatives are all designed to create a more flexible working environment, with teams of multi-skilled personnel equipped to move between tasks as production needs dictate. Steven feels that this flexibility is an essential response to the post-September 11th downturn in his industry.

So, what’s the business impact of these changes? Primarily, according to Steven, the company now boasts a much more flexible workforce. In turn, this flexibility has significantly reduced manufacturing costs and lead times across the business.

Steven is confident that these benefits will increase over time. If they do, that day spent with BGB in Grantham will have proven to be time very well spent.