onTRACC
people • practices • results
VOLUME 1 2011

SHINING A LIGHT

TRACC PRODUCT DEVELOPMENT MANAGER, GEOFF SCHREINER, SHINES A LIGHT ON THE HUMAN CAPITAL MAZE.

For many years, human resource departments have stood accused of being 'cash guzzling gatekeepers who do nothing to improve the bottom line'. Harsh? Maybe somewhat, but with more than a grain of truth. After all, the perception counts and this has to be managed.

Senior executives are notorious for their lack of confidence in HR departments, most often because they're so bamboozled by the colourful terminology yet have no idea how to measure whether these functions are delivering or not. Although they realise that people are a source of competitive advantage, they just haven't understood how HR will help them realise this competitive advantage.

There's really only one culprit – HR. They complain about not getting to the bigger supper table, but fact is, you're not invited to the supper table unless you have a well-prepared dish to offer. So, we suggest four simple steps to a top spot at the dining table.

1. Don't jump in writing an elaborate HR strategy

Instead, take time to understand the business intimately – what makes it tick, the issues and risks it faces, opportunities offered, exactly how it's performing and what the numbers say. Familiarise yourself with the language used by colleagues, especially management functions in core and support departments.

Have a look at the business strategy and answer the simple question: what can HR do to make this work better? Repeat the exercise at different levels: regional, sites, etc. Record your support activities. Your key internal customers will find this document extremely useful.

Now assemble a useful strategy document. But before finalising anything, wait until the measures are included. That part is still to come.

2. Don't do everything yourself the old way

HR is one of the fastest developing professional disciplines in the world today. That means it's 'change-a-day' territory. Most changes and options are driven by technology – if you're not far down this route then you're on the road to nowhere.

Increasingly, transactional HR activities have found two new homes: on-line self help and shared services centres. Benefits, EAPs and the like are best done by external service providers while knowledge management really must involve the IT department in a meaningful way. Thus, HR functions need to be technologically advanced, working through the myriad of options to improve service delivery, reduce HR service costs, increase accessibility and personal transactions, link training and development to innovation knowledge management, as well as optimising external service provider options.

3. Learn to measure

Why don't HR people measure? How many companies make an additional business qualification mandatory for HR posts? Most HR departments do one of two things: They don't measure anything really or measure every input under the sun with little idea as to why it might be important, and even less idea whose job it is to achieve the output.

Do you measure absenteeism? But of course. Why? We like to know who's absent. Wrong answer! It should be: we collect and analyse absenteeism statistics to aggregate trends and conclusions for our key customers (line management) so that they can work on reducing absenteeism levels to our 2.7% target.

TRACC has developed a useful metrics framework for HR departments which makes the terrain much clearer:

HR Function Measures (How well is the HR function performing?)	**Strategic HR Measures** (What does HR need to achieve to support current operational objectives?)
HR Policy Impact Measures (What is the impact of HR policies and procedures?)	**HR Workforce Measures** (What are the workforce demographics and trends?)

4. Listen to your customers

HR is a service department - existing only because the core business departments make the money to pay our salaries. So yes, they're the chosen ones and we're their vassals. Vassals can grow to become partners and this is where HR needs to get to. Great HR departments not only understand service and partnering, but also the importance of cultivating an active listening ability.

And in parting, a few more competencies of great HR departments:

- Be real – lose the 'people flow talent management' mumbo jumbo; instead use precise and inclusive language
- Be humble – tell what you know when you're asked or when you can help solve a problem
- Focus on the bottom line – referring to the corporate social responsibility package is important but really, colleagues actually would like you to either help them or save money for the business

By following these pointers you might get to the top table.

SHIPSHAPE

THE AVENG GROUP

CHARL POTGIETER, GRINAKER-LTA EARTHWORKS ENGINEERING OPERATIONS EFFICIENCY MANAGER, OUTLINES HOW THEY USED 5S PRINCIPLES TO IDENTIFY ON-SITE PRACTICES THAT MIGHT BE POTENTIALLY UNSAFE AND HOW THE COMPANY IMPROVED OVERALL ON-SITE HOUSEKEEPING.

ARTICLE

Grinaker-LTA Earthworks Engineering, an operating group of Aveng Africa, has developed its multi-faceted skills through many years' experience gained working across the African continent and in the developing world. The company has been involved in a large variety of projects with diverse surfacing specifications for road and airport runway construction and rehabilitation.

Safety is one of the organisation's core values never to be compromised under any circumstances. As such, the business unit operates a Continuous Improvement (CI) department that also incorporates quality control.

After undesirable results on one of the company sites, the CI department was tasked to do a 5S site audit. The audit scope was to look at on-site practices that might be potentially unsafe and improve overall on-site housekeeping by implementing some of the 5S TRACC principles. Although 5S principles have been applied for many years in various FMCG, beverage, automotive and other industries, application on a construction site requires decidedly innovative thinking. This is because of a multitude of contractors at all times, plus significant mobile equipment numbers and raw material quantities moving around.

During the two days spent visiting the different work areas, the team talked to staff, gathered information and took photos of unsafe areas and those where proper housekeeping was lacking.

A week later the team revisited the work areas to discuss the areas of concern and provide guidance to the people in charge on how the areas should look and why 5S should be practised in work areas (less waste, better working environment, best place to produce good quality roads, structures and bridges, and a safer site). Background on 5S and the principles of 5S along with printout copies, were handed to those on site as action lists for their respective areas.

During the second visit, a few of the areas were well on their way to cleaning up the site. The following day the CI team presented the findings of the two visits to the contract director and key on-site role players. These findings were well received and everyone could see that there was much work to be done in terms of on-site housekeeping and workplace organisation.

A month later the CI team revisited the site to do 5S training with all the site engineers and foremen in their specific areas. 5S principles were discussed and a walk-through of their work zones was done while pointing out potential 5S implementation areas. Photos were taken and it was agreed that the foremen would discuss the good and bad areas in the daily toolbox meetings. It was decided that when a 5S exercise had been completed, the before and after pictures should be displayed to showcase the 5S benefits.

Every month the CI team and site management will be visiting the work areas to track the 5S on-site progress and give feedback and more training as needed. The 5S implementation is part of a larger implementation plan driving continuous improvement through a holistic approach of implementing best practices. TRACC is used to support Grinaker-LTA Earthworks Engineering's best practice implementation and develop internal capability within its resources.

EXCITING TIMES AHEAD

IN 2008 SABMILLER INDIA STARTED IMPLEMENTING MANUFACTURING BEST PRACTICES UNDER ITS MANUFACTURING WAY (M WAY). REALISING AN INTEGRATED IMPROVEMENT SYSTEM WOULD PROVIDE THE FRAMEWORK FOR CHANGE, THE KNOW-HOW AND A ROAD MAP FOR SUSTAINABLE RESULTS, THE COMPANY ADOPTED TRACC IN 2010. onTRACC RECENTLY CAUGHT UP WITH SABMILLER INDIA'S HEAD OF MANUFACTURING DEVELOPMENT, VINCENT OLIVER.

SAB MILLER INDIA

INTERVIEW

onTRACC: How long have you been in India?

Vincent Oliver: Three years - to lead the WCM drive at the 11 breweries in India, strategically located across this large country. After establishing good manufacturing basics, we developed a phased approach starting with TRACC at three sites this year.

onTRACC: Which beers does SABMiller produce in India?

Vincent Oliver: We brew Hayward's 5000, Knock Out, Foster's Lager, Royal Challenge and recently Indus Pride, a new all-malt beer. We import Peroni and have new exciting brands and packs planned for the near future.

onTRACC: What is India like as a market and country?

Vincent Oliver: As a beer market there's lots of opportunity for development and growth. We've committed significant investments in plants, technology and people. Yet India presents a difficult trading landscape for a number of reasons, including restrictive legislation, logistics and social issues.

India has a relatively low per capita beer consumption (a little over one litre per capita per annum), with spirits being the alcoholic beverage of choice. There are changes in the market but these have been slower than initially expected. Meanwhile we're improving our manufacturing practices, beer quality and access to our consumer in strategic areas.

India is a large, intriguing and extremely diverse country in many ways, with big differences in language, religion and local governments, to name a few. Its states operate more like independent countries. Our current M Way focus is on three breweries: CBL, HBL and PALS - each in a different state, with differences in local legislation, consumer preferences and primary languages (Marathi, Telugu and Hindi). Training workbooks for operators have been translated into these three languages.

onTRACC: What are India's people like to work with?

Vincent Oliver: Very rewarding. They are intelligent, hardworking, numerate and respectful. There's a strong desire to learn and implement new practices quickly. The potential in India is amazing.

onTRACC: Can you give us an idea of a before and after TRACC/ M Way? A timeline?

Vincent Oliver: Initially possibly only 'output' or volume-driven, we're now becoming process- and systems-driven to achieve better performance in a stable and sustainable manner. 2008 was about creating awareness, especially the need for balance between outputs and processes. Initially I worked with all the sites to develop systems, such as safety, maintenance and training on a rather ad hoc basis. I would return to a brewery and think, "Why are we back at square one?"

2009 was about traction. We focused on five campus breweries as centres of excellence, but with limited success as it was difficult to transfer and implement learnings due to differences in technology, existing work practices and site culture.

We realised that we needed an integrative improvement system. We decided on TRACC to provide us with a way to build internal capability, a system to replicate best practice and learnings, allowing us to create sustainable results.

We launched TRACC at three breweries in specific pilot areas with roll-out planned for early 2011. My role has shifted from developing practices to implementing, aligned with SABMiller's vision of leading change. In each of our India breweries, it has taken time for people to see that we're serious about implementing and sustaining our M Way foundation practices using TRACC.

We're pleased with the new implementation and capability so far. We've improved teamwork. There's greater ownership of tasks and processes and increased decision-making at various levels. We're now focused on sustained excellence in India, alignment, standardisation and consistency, as well as on processes and quality for profitable growth.

onTRACC: Why did you choose TRACC?

Vincent Oliver: Several reasons: prior experience with TRACC and knowing that it's a tried-and-tested system, alignment with SABMiller's GEMs (Global Evaluation of Manufacturing), the easy on-line access to TRACC materials, which enables multi-site implementation, the clear implementation plan and guides, and of course TRACC's strength in local capability-building, which allows us to improve and expand with sustainability.

onTRACC: What lies ahead for SABMiller India?

Vincent Oliver: SABMiller India's technical vision is to have three breweries rated in the SABMiller world top 20 and all our breweries in the world top 50 by 2013. Part of this journey is extending TRACC to other sites, building new plants and a relentless drive for improved quality. With continued social change in India, less restrictive market opportunities, and some exciting product innovation, there are exciting times ahead for SABMiller India.

THAT'S SUSTAINABLE PERFORMANCE!

BY INTENT GROUP DIRECTOR TOM STREET AND CCI SVP GLOBAL SUPPLY CHAIN RODDY MARTIN.


Roddy Martin

"...the supply organisation has to maximise customer service, minimise inventory and minimise operating costs. For success, a company must manage these three tensions simultaneously. However in many companies, balancing these three elements is very difficult." - John Schorr

Supply plans define the quantity and location of goods or services required to satisfy customer service levels that have been agreed and targeted by an organisation. Traditionally in more push-orientated supply chains that operated on sales forecasts, supply plan development involved input from procurement, manufacturing, distribution and warehousing. These inputs related to the organisation's capability and constraints to source materials, manufacture, store and deliver products or services to meet the forecast sales demand.

In today's leading supply chain organisations, transforming to outside-in demand-driven strategies, supply planning processes and performance have integrated tightly into downstream customer-facing activities. This is because demand changes have dramatic implications on supply system responsiveness, integrated business plans and working capital.

A few key principles drive this change, impacting traditional supply planning:

- Supply chain is end-to-end and demand-driven - accurate demand forecasts dictate supply planning priorities and supply responsiveness. The supply planning organisation is increasingly connected to sales, account management, finance processes and governance because of this connection to the integrated business plan. Supply planning is seen as core to the business growth function, as well as margin protection and growth.
- Segmented customer-facing strategies make balanced trade-offs in S&OP that are based on end-to-end costs and may force change to supply plans; this requires supply agility and downstream visibility in the supply planning process, plus business-driven, aligned goals. The supply planning response time to demand changes has become an essential capability.
- The business is building capabilities increasingly to manage complexity across the end-to-end value network. This means reducing complexity that adds inefficiency and leveraging platforms to differentiate complexity with a competitive advantage. The supply organisation and supply plans are integrated increasingly into complexity management and expected to play a vital role in complexity reduction.
- Today's supply plan is developed and supported with sophisticated modelling and network management tools. Supply is a regularly flexing network and supply plans are being assessed and adapted continually, based on demand trends and changes. More sophisticated network modelling, simulation and 'what if' optimisation tools and information analytics are being used as the scope of supply planning moves to a network combining in-sourced, outsourced, internal and external processes, as well as components such as contract logistics and manufacturers. Master data management has been a significant business focus.

Supply planning is integral to the supply chain maturity-based journey. At some level all organisations practise supply planning. Natural consideration is given to required products or services, how best to produce them and how to manage constraints and applicable planning horizons.

Unfortunately many organisations deal with these issues within functional silos and without a clear view across all the supply functions. More importantly, efficient business process connections and demand visibility didn't exist in the downstream customer-facing business functions. As a result the activity and performance measures across functions are unlikely to be aligned, resulting in:

- poor supply responsiveness to demand changes, giving rise to stock-outs
- inventory shortages at certain times and excess inventory at others; even cases where inventory was in the wrong place at the wrong time because of the lack of a segmentation strategy and supply planning structure
- manufacturing capacity and resources being variously under-utilised or over-committed
- numerous production orders being expedited or deferred
- inefficiencies in manufacturing and transportation

In the early stages of supply chain consolidation and cost management, the supply planning function was identified as a good candidate for shared service processes, because it represented an ideal opportunity to improve scale and transactional efficiency across many business nodes. This caused a centralisation tendency. But leading companies found that a distributed supply planning model was appropriate based on these guidelines:

- Centralise component supply planning that's critical in a risk and cost context and where it makes sense strategically to share supply planning across the entire business. This also applies where the centralised supply planning process scale is core to cost containment and responsiveness, such as active ingredients in Pharma and Biotech, or critical packaging components in CPG.
- Decentralise those supply planning components into local regions, hubs or markets as they represent the core competitive capability in a local market. Ensure appropriate process connections, standards, governance and visibility to the centre to ensure that the centralised supply planning scale can be leveraged as a competitive weapon in the local and distribution market.
- How can improved and integrated planning help? Goal alignment across the supply chain, and particularly between demand and supply, is critical to the company's success. This is the very reason that sales and operations planning have become such a high-impact and strategic process in all businesses as the

ARTICLE

business balances demand and supply planning, making balanced profitable trade-offs across the end-to-end business. In leading companies executive ownership and participation in S&OP are givens; therefore the impact and visibility of supply planning to improve performance has become critical.

Supply planning plays a crucial role in achieving that alignment and S&OP success. Customer demand levels for products often vary significantly from one period to the next. This creates significant challenges for the supply chain and the working capital business management.

The ability of the supply chain to respond profitably to demand fluctuations is finite and limited by current resource capacity and material availability. Hence the trade-offs that should be made at business executive and strategic business planning level. Furthermore, responding to all demand fluctuations incurs a flexibility cost because manufacturing and supply are two critical constraints in demand-driven transformation. The manufacturing and supply network must always be prepared to leverage internal and external production, supplier capacity and profitability optimally.

Process connections to the business's demand side, as well as the supply agility and performance, are core capabilities in leading supply chains. Consumer electronics and the build-to-order industrial sector offer good benchmarking in this capability.

In the context of varying demand, manufacturing and supply must maximise utilisation of capital intensive resources, and internal and external relationships. This should be done reliably and profitably, without creating excessive inventory, or supply variability that would consume working capital or cause continual changes and exceptions to business plans that drive the business away from optimal scale.

These are the real world tensions John Schorr referred to in his quote. This is also why the cornerstones of leading supply chains are S&OP as the process that leverages balanced trade-offs across the end-to-end business; demand visibility as the basis of improved demand forecast accuracy; and reliable, predictable supply. Supply planning is a crucial link in this process. Processes and capabilities must be developed and communicated so that agile planning capabilities meet these challenges and balance tensions.

Agile, segmented, responsive and demand-driven supply planning is an important support and enabler to manufacturing and supply functions and processes. It helps in providing input and determining priorities to optimise performance by applying optimisation methodologies such as Just in Time (JIT), Theory of Constraints, Lean, One Piece Flow and Heijunka.

Companies that leverage Lean management systems create a balanced workflow and smooth the demand on equipment and people by employing levelling techniques, known as Heijunka. Key is that in leading organisations this capability is outside-in and demand-driven. The resulting agility in the supply plans are then optimised for excellent customer service, reduced complexity, customer responsiveness and minimised supply chain waste.

This optimised business operating point is achieved by reducing workload fluctuation while maintaining inventory levels proportional to the demand variability. But to achieve this, process connectivity, collaborative planning processes and segmented demand visibility are vitally important across the business.
Advanced demand analytics and buyer segmentation allow a business to plan for level workloads across production, rather than attempting to build products or reactively supply according to the actual customer order flow. This load levelling takes the total order volume in a period and smoothes them out so the same amount and mix are made over a pre-determined time.

Best practice supply planning does this by leveraging visibility, alignment, collaboration, information accuracy and clear decision-making. Supply network centres of excellence responsible for modelling, simulating and optimising the supply and demand management functions have become a core characteristic of supply chain leaders such as Samsung, Procter & Gamble and Cisco.

The results of advanced organisational demand-driven supply planning capabilities are:

- profitable and reliable demand response that leads to higher customer satisfaction and service levels
- improved production plan performance – less supply exceptions and variability
- improved utilisation of internal and external capacity and resources
- lower operating costs and working capital
- reduced cycle time and flexibility in demand response
- higher stock turns and reduced stock-outs
- improved order fulfilment and perfect order performance
- successful translation of innovation and new product launches

TRACC client Tru-Test in New Zealand recognised the challenges to its operations through the lack of integration and used a number of the above approaches to gain substantial improvements.

CONTINUOUS IMPROVEMENT TAKES HOLD IN INFORMATION SYSTEMS

CASE STUDY

CCI BUSINESS PARTNER AND INTENT GROUP PRINCIPAL DONALD BOWIE DESCRIBES THE IMPROVEMENT IN FONTERRA'S INFORMATION SERVICES (IS) PROVISIONING PROCESS.

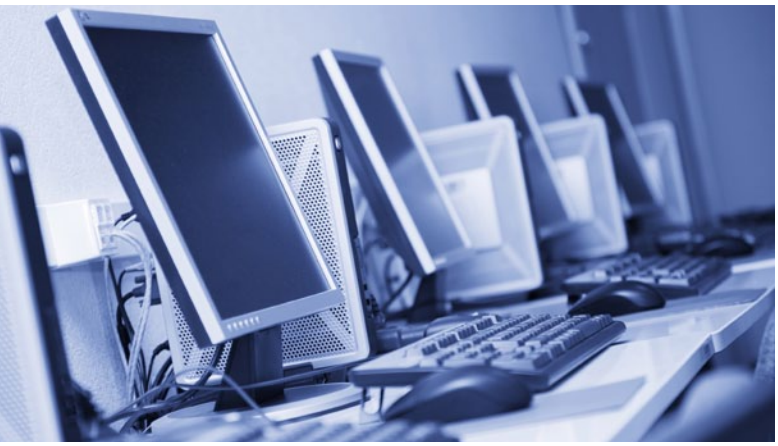

Donald Bowie

A leader in dairy science and innovation, Fonterra Cooperative Group is the world's largest dairy product exporter. Headquartered in New Zealand, it owns a significant brand portfolio in Asia Pacific and partners many of the world's leading food companies. With 15 600 employees, the company has offices in more than 40 countries worldwide.

The Fonterra IS department has moved to outsource many traditional functions, such as the helpdesk, as well as provisioning and installing personal computers. Staffed by around 160 internal employees, the department coordinates the provision of about 200 desktop and laptop computers a month. Workload is determined by business growth, staff turnover or movement to new roles, capital project numbers and the current fleet's age. A move within the organisation to focus on speed to market has meant a surge of capital project approvals. This increase has coincided with the current fleet approaching replacement age, resulting in an increased departmental workload.

An uncomfortable number of customers were experiencing extended delays in computer solution delivery, often resulting in the matter being escalated to the IS department. This meant multiple staff members were engaged in information gathering and fire fighting. Customer survey results showed declining satisfaction levels with the IS department's IT solution delivery function.

The chain of events to deliver a correctly functioning PC to a Fonterra staff member involves many handovers usually absent from an in-house process. Although using various suppliers/partners is beneficial in sourcing through 'best of breed' and fostering a sense of commercial competition, the Mean Time to Completion (MTTC) had stretched to 19 working days. Compounding this situation was



the large variation: completion could be as short as seven days and as long as 42 days. Analysis showed that if details in the initial order were incorrect or incomplete, completion time often extended well beyond the average.

Occasionally the wrong solution was delivered to a customer. This occurred most often when an existing unit required replacement. Inadequate or wrong applications may be delivered, rendering the unit unsuitable.

Drivers for change could be summarised as: increased staff workload, extended delivery times driving down customer satisfaction and escalation to the IS department which resulted in many staff members being drawn away from other work. Also, inaccurate billing was compounding the problems.

A carefully planned Kaizen Blitz was preceded by an introduction to Lean principles through a Lean 4x4 workshop. A key principle was participation of those involved so that they may improve and own the new processes. Blitz team members were drawn from the Fonterra IS department and suppliers. The blitz was executed over a three-day workshop. A break was planned for normal work to proceed, then another two workshop days. The aims were to deliver measurable benefits in reducing effort duplication: decreasing MTTC: increasing customer satisfaction: and eliminating escalations.

Many opportunity areas were identified by the brown paper and Post-it™ note method. A consensus view emerged that the two focus areas should be initial order integrity and accuracy, plus supply chain speed. The team then divided into two groups to employ focused improvement and root cause analysis techniques to these areas. Approximately 69 actions were formulated, prioritised and allocated to participants.

The online method for ordering and capturing correct information was restructured and the implementation (request and ordering) process was redesigned and mapped to the online tool. This removed manual data transfer to a template that drove the process. Roles and responsibilities were clarified - especially at the handover interfaces. Confusion and 'incomplete' handovers were reduced dramatically.

Stock management and reporting were revised and enhanced. Central to this initiative was a move to multiple distribution centres – stockholdings weren't lifted but dispersed to centres closer to the common request points. Vital KPIs formed the basis of a weekly management system and the team was measured against these. Analysis of low performance leveraged learning about the system and how it might be improved.

A balanced view of the IS department performance is obtained when the two performance indicators, backlog and call age, are reviewed. Following the Kaizen actions, backlog call volumes and age dropped to an acceptable level of around 97% - less than five days. Customer satisfaction has increased by around 13% and is now averaging 4.02 on a 5-point scale. This KPI continues to trend up. The query volume after billing has dropped substantially from about 22 to three a month.

MTTC has now dropped to roughly six working days. This has shown the team the possibilities, and a drive to further reduce the MTTC has been born. Continuous improvement is taking hold!

The positive approach to this opportunity has increased supplier coordination and cooperation. Fonterra IS suppliers are now following the results keenly and seeking further improvements.

GAINING THE COMPETITIVE EDGE

WORLD CLASS MANUFACTURING AND PEOPLE DEVELOPMENT ARE COMPETITIVE ADVANTAGES FOR CAN-PACK SA, WRITES TRACC CONSULTANT TOMASZ SENDYKA.

CASE STUDY

In 1994 Can-Pack SA was a small Polish beverage can maker competing with huge international beverage can manufacturers on the strength of low labour costs, difficult orders and short runs. But the company's management realised that the advantage of lower labour rates wouldn't last for ever.

Can-Pack was a trusted supplier to SABMiller's Kompania Piwowarska in the early 2000s. On the manufacturing side, SAB (as it was then known) was implementing TRACC, and Can-Pack, wanting to create a competitive edge, decided to follow suit. In 2002 it embarked on a WCM pilot at its beverage can plant in Brzesko, near Kraków, Poland.

From its first production site in Brzesko, a second production site was opened in Bydgoszcz in Northern Poland. Once the company mastered operating more than one site it was ready for international expansion. The next plant was commissioned near Kiev in Ukraine and the fourth in Bucharest, Romania. Dubai was the first plant outside Europe, followed by India shortly afterwards - the first global aluminium can producer to enter India. The two most recent sites opened in the UK and Russia. A few more plants have been constructed or planned, but the locations are still under wraps. On the back of the successful pilot, the WCM programme was rolled out to other European operations.

Today Can-Pack's annual revenue is about $1,5 billion and plans are to double this revenue in three years. Its product range includes: aluminium two-piece beverage cans, steel three-piece food and general line cans, glass bottle crown caps and beverage/food glass containers. The company's core aluminium can division, responsible for about 75% of its business, grows organically, not through acquisitions.

How did an unknown company manage to expand so successfully in such a highly competitive business market?

This is a capital-intensive business. Utilising assets is very important. Also, raw materials are a considerable cost (50-60%), so minimising waste levels is crucial. Customer requirements are exacting and growing. Management set clear goals for the WCM implementation:

- increase the company's operational efficiency
- achieve stable and predictable results
- build a base for intensive future growth
- increase involvement from top to bottom
- achieve the highest quality organisational standards
- achieve financial results 25% better than the comparable industry average

Implementation at the pilot line demonstrated remarkable results. The Overall Equipment Effectiveness (OEE) percentage went up from 65 to 82 in less than two years [See graph]. This result turned out to be sustainable and has improved subsequently. Also, waste levels have been reduced considerably. All this made the company's results significantly better than those of competitors - this is Can-Pack's competitive edge.
On top of the clear financial, quantitative results, the following benefits were also observed:

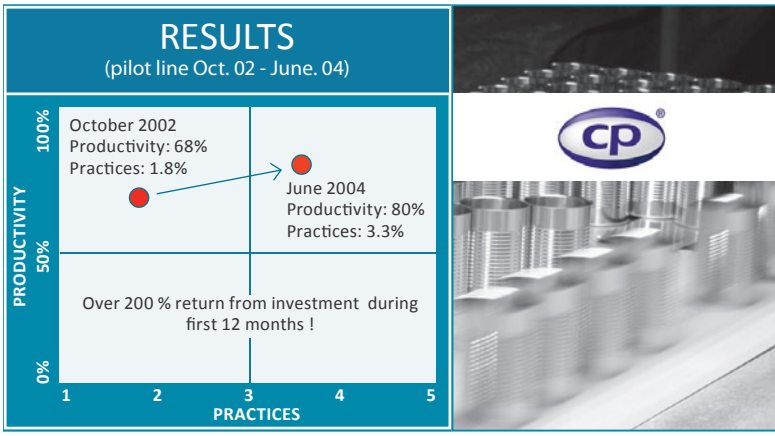
- A higher awareness level of market requirements at all organisational levels
- A lean and effective organisation
- Improved communication throughout the company
- Ownership of the process at all levels, resulting in a higher level of involvement and boosting employees' creativity

TRACC is being implemented at each site with implementation commencing any time between one to two years after the plant has been commissioned. Overall, Can-Pack achieved the WCM programme goals because:

- Financial results are consistently better than the industry average
- The company generates enough cash to finance its own expansion
- Product and customer service levels are at the highest level
- Can-Pack is the largest beverage can maker in Central and Eastern Europe and the fourth largest in Europe

WCM is now an integral part of the company's operational strategy. Looking into the future, Can-Pack is expected to grow fast. Further people development is required, because entering new markets may require specific knowledge and qualifications. But for now the focus is on developing and implementing process supporting systems.

It can be safely said that the WCM-based production strategy gave Can-Pack its competitive edge and so was one of the key enablers of its growth and global expansion.



CEE JOINT VENTURE

PwC AND CCI JOIN UP TO IMPROVE OPERATIONAL EFFICIENCY IN CENTRAL AND EASTERN EUROPE.

To help manufacturing clients across Central and Eastern Europe improve operational efficiency, PricewaterhouseCoopers (PwC) has signed a joint venture with Competitive Capabilities International (CCI) Inc. By deploying the CCI-developed TRACC, PwC's manufacturing clients will have access to a management solution that powers improvement across multiple locations and languages, while reducing operating costs by as much as 2-3% of annual revenue each year.

"Traditionally, our work in the manufacturing sector has involved tax, finance and the supply chain," said PwC Poland advisory managing partner Andrew Friars. "However, the largest part of the manufacturing cost base is on the factory floor. TRACC drives change, reduces cost and increases capacity in the biggest cost base. Therefore, through TRACC we can now offer clients integrated improvement initiatives across their entire value chain."

According to Friars, positive market response indicates the emergence of an opportunity pipeline. "All the elements we could wish for are present. There's implementation reach, 14 languages, operations as well as supply chain, best practices, organisation-wide focus, sustainability, systems and support. And the launch of nine Supply Chain TRACCs means opportunities for early-stage client collaboration," he said.

"PwC and CCI specifically launched this joint venture in CEE because it's an emerging market with significant growth prospects where operational efficiency solutions have a relatively low penetration."

Said CCI Europe senior vice president Kevin Whelan, "Companies on the improvement journey often consider pockets of excellence as a goal. Yet they're a sign of fragmentation, isolation and transience. Inevitably they implode when the initiative driver exits. World class companies engage at all levels and turn problems into solutions and new knowledge. In the process they develop their people and processes, unlocking potential. The journey to world class requires a clear, tried-and-tested road map and a system that embeds best practice into the organisation's DNA."

PwC is the only Big Four firm to have a fully integrated network spanning Central and Eastern Europe and CIS countries. This helps to provide a seamless client service and means greater international exposure and mobility for its staff.

IQPC SUMMIT 2011

TRACC – KEYNOTE SPONSOR – IQPC 2011 LEAN SIX SIGMA AND PROCESS IMPROVEMENT SUMMIT, ORLANDO, FLORIDA.

This summit brings together over 600 leaders from a variety of industries across the Lean, Six Sigma and BPM spectrum. TRACC, along with its North American channel partner, Phase 5 Group (P5G), participated for a second successive year.

Glenn Leask, Roddy Martin and Iain Clarke kicked off the week by presenting a 3-hour interactive workshop on our newly launched Integrative Improvement System (iiS) – TRACC Version 5.

We also led the plenary session that featured Roddy Martin leading a panel session attended by high-level leaders from several prestigious companies – Procter & Gamble, DuPont, MillerCoors and Heinz. Prior to the event, conference attendees were able to fill out a free Integrative Improvement System diagnostic (iiSd) online, the results of which were then discussed during the panel session.

Roddy Martin, VP Global Supply Chain, CCI Inc

Our TRACC session was led by Tamer Abuaita, Director of CI with the H.J. Heinz Company, together with three other Heinz delegates. Their presentation focused on the Heinz Global Performance System and how TRACC has brought it alive. With over 90 people in attendance, many productive and insightful conversations took place and Heinz certainly did us proud!

The week was wrapped up by chairing a panel discussion on Lean versus BPM, and hosting a technology briefing on digiTRACC presented by Iain Clarke (CCI) and Brian Wilkins (P5G).

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