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ARTICLE

EMERGING ECONOMIES
LOOKING BEYOND THE ACRONYMS

JOHN MULCAHY TAKES A LOOK AT DEVELOPING COUNTRIES AND BLOCS OF COUNTRIES (BRIC, CIVETS, N11) IN THE CONTEXT OF THE SHIFT IN GLOBAL ECONOMIC GROWTH, CONSUMPTION AND CONSUMER POWER.

John Mulcahy — Chairman, CCI

The self-inflicted financial crisis in much of the developed world in 2008 has highlighted, and to some extent precipitated, a seismic shift in the nexus of global economic growth. While the immediate cause of the crisis was injudicious lending (and borrowing) in economies with a serious credit habit, it is the behaviour of economies in the aftermath of the crisis that offers some insight into the new global economic environment.

Developed countries emerging relatively unscathed by the crisis included Canada and Australia, both of which pursued far more disciplined credit policies than the US or the Eurozone, and, coincidental or not, rely to a significant extent on commodities much in demand in the emerging industrialised world. The appetite for copper, iron ore, platinum, oil, gas and grains, among numerous other commodities in China, India and other fast-emerging economies has raised core demand for these products to unprecedented levels.

The constant quest for labels has produced a dizzying array of sobriquets, the 'bric-a-brac' of economists' parlance, as it were. From BRIC [Brazil, Russia, India, China] to BRICS [after South Africa's accession to this grouping], CIVETS [Colombia, Indonesia, Vietnam, Egypt, Turkey and South Africa] to the Next 11, everyone wants to be part of a successful club! However, the names are far less important than the message they are trying to convey. In coining the term BRIC countries, the Goldman Sachs economist Jim O'Neill was simply trying to capture the high-population, high-growth emerging economies most likely to succeed. BRIC has no formal structure, no entry rules, no official status, but these countries represent 40% of the world's population, and the two largest - China and India - are growing at a pace of 9-10% a year. The other two BRICs - Russia and Brazil - have a profound influence on their surrounding geographies, and all four offer enormous opportunities and challenges to the rest of the world.

The success of the BRIC grouping has had other countries clamouring to be included, and indeed in December 2010 South Africa was formally accepted into the grouping. This inclusion brings a regional balance to BRIC(S), as without any African representation the alliance of emerging and developing economies would have limitations. South Africa is the largest economy in Africa, both on a nominal basis and on the basis of purchasing power parity.

It is also easy to understand that as a key supplier of raw materials to the world, Africa's exclusion from the BRIC alliance would be diplomatically unwise, and no one would accuse China, Russia or India of failing to identify a diplomatic opportunity.

The bottom line is that there is a shift in the global economy, and while consumption patterns in the developed world still demand attention, the exponential growth in the rapidly-emerging countries is creating new and prosperous consumers.

China's growth story is not news. Indeed, judging from the comments of many Western economists the China miracle is over, and the bubble is about

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to burst. India, meanwhile, has been frustrating its international advocates for decades, as it has failed to find the formula for rapid growth to engineer a sustainable trajectory to elevate its people out of poverty. Now, after several false starts, India is boasting growth rates similar to China, and with comparable implications for the global economy. Brazil is also emerging as a regional powerhouse, one milestone being the proposal by Taiwanese electronics manufacturing giant Foxconn (producers of the Apple iPad and iPhone), to invest up to US$12bn in Brazil.

There are exceptional opportunities for global multinationals to take their products and their expertise into these new markets, which have yet to perfect their manufacturing capabilities, or indeed their global supply chains. Where in Western markets for fast moving consumer goods competitive pressures are so intense that a few basis points in gross margins can separate the winners from losers, margins tend to be far wider in emerging markets. It is also true that in markets such as China and India especially, and to some extent in Russia and Brazil, the perception is that established global brands are superior. This is a tribute to the brand building by the likes of SAB Miller, Coca-Cola, McDonalds, Kellogg's, and Heinz, but it also reflects a sense of 'sovereign inferiority' which will be transitory, as these countries build their own brands and develop customer loyalty.

In time these national brands will also go global, and it is critical for consumer brands to establish their presence in these countries before the window shuts.

Wealth creation in these economies is eye-watering - in China alone an average of 1,150 US dollar-millionaire households are created every day, or 48 every hour! The implications extend well beyond the simply astonishing and require careful strategic thinking and, more important, execution. From a profile of outward processing – cheap manufacturer to the world – China has become a far more integrated, complex economy in recent years. It already boasts an extensive network of high-speed trains; it has the world's biggest retailer of Rolls Royce and Bentley; it is the biggest foreign market for Bordeaux wine – the list goes on. India, meanwhile, really came into its own during the dot.com boom, where no Silicon Valley start-up had any credibility without a team of Indian software developers. And where did they go when the dot.com boom went bust? Many went back to India, where they and their compatriots have systematically built a foundation for growth to rival that of China.

The notion of national distribution, much less global distribution, are new concepts to many companies in China and India. Companies such as Procter & Gamble and Colgate-Palmolive are accustomed to building supply chains for widely disparate geographic and socio-economic markets, and as such start with a substantive advantage over their newly emerging competitors. But the key is and will continue to be for these established multinationals to maintain standards across all of their chosen markets.

This is where we believe the TRACC Integrative Improvement System can help. The combination of a standardised approach but with scope for customisation makes TRACC a valuable partner in the complex process of globalisation. The Manufacturing TRACCs are currently available in 20 languages, translated in a professional and colloquially accessible way, so that the product can be used by personnel. We have a demonstrable record in supporting our customers as they enter new markets or expand in markets where they had previously only dipped their toes. By systematically enabling organisations to achieve consistency in manufacturing excellence, and in due course in the entirety of their supply chain, TRACC is, we believe, a key source of support for global expansion.

CASE STUDY

MORE FIZZLE, LESS FUSS

HAVING IDENTIFIED SET-UP TIME REDUCTION AS A KEY CONSTRAINT, SCMC XIAMEN IN CHINA ACHIEVED A REMARKABLE TURNAROUND AFTER INTRODUCING THE TRACC INTEGRATIVE IMPROVEMENT SYSTEM.

Angela Chen, TRACC Consultant - CCI Global Business Unit

Coca-Cola Supply Chain Management Company (SCMC) was established by the major bottling companies in China to manufacture and supply non-carbonated products for the Chinese and some regional export markets. The company operates through a supply location network of 17 plants.

Using digiTRACC, world class manufacturing (WCM) was launched at the Dongguan plant in 2005 with measurable success. Based on these successes, it was decided that the Xiamen plant (established in 2006) would start their WCM journey in 2007.

Roughly an hour's flight from Hong Kong, the SCMS Xiamen plant operates four beverage lines with both hot fill and aseptic filling technology. It produces close to 20 different types of non-carbonated drinks, mostly juice and tea products.

Situation at Xiamen Plant

In the FMCG industry, time efficiency is paramount to operational success. Based on this premise, SCMC Xiamen plant started off by sending all key personnel (those earmarked to become key implementers of TRACC Best Practice) to the Dongguan site for training. This exposure ensured complete buy-in to WCM best practice by these key personnel, making the beginning phases of Xiamen plant's WCM journey that much more seamless.

Xiamen plant's key driver for rolling out TRACC was set-up time reduction. Before the roll- out of TRACC, product set-up time at Xiamen took approximately 12 hours — the length of one shift. This impacted nett time utilisation and it became a key challenge to reduce set-up time. TRACC implementation started with Leading and Managing Change, Teamwork, 5S, Visual performance Management and Focus Improvement. Thereafter Autonomous Maintenance, Business Centered Maintenance and Set-up Time Reduction followed in rapid succession.

The STR process was video-taped and the condition was recorded according to TRACC guidelines such as waste elimination, separation of internal and external activities and streamlining of the activities. Operator roadmaps were analysed by means of spaghetti diagrams, tasks were simplified and ECRS (Eliminate, Combine, Reduce, and Simplify) was used to recognise the transferring activities. The plant also found it necessary to do a small amount of reconstruction to equipment to support parallel operations and to simplify the production preparation. Naturally this resulted in a small financial investment in the reconstruction, but it was soon justified by the results.

STR adoption was not an easy process. In the beginning, various employees felt that the company was becoming more scrupulous and they therefore lost passion in the process. A profit improvement project was quickly implemented by department management in order to address this, and a two-month target for result delivery was set. This restored employees' confidence.

Significant results were achieved within the first 12 months of TRACC implementation. Set-up time reduction became an internal benchmark for other SCMC sites to follow as the product set-up time dropped from 12 hours to 4 hours. The turning point was to get the front-line operators involved and engaged in the plant-wide continuous improvement effort. This resulted in a highly motivated workforce that believed they could contribute significantly to the success of the company. All operators became fully involved in the process of analysis and improvement and were sufficiently trained on STR before engaging in any activities. More than 85% of the STR improvement suggestions came from front-line operators.

Financial gains totalled RMB 500 000 with a three-month return on investment. As for the problem of insufficient support from relevant functions, TRACC implementers engaged the relevant functions into the project. This improved communication gave them a sense of involvement and ownership of the achievements.

All standard procedures and control methodologies were set up once the initial activities were completed. After the project, the results were tracked and STR was listed as the site's daily focus indicator, which was displayed in the relevant positions to be monitored. The TRACC improvement group also report improvement results to management on a regular basis.

Xiamen now regularly reviews and tracks the improvement results to further recognise improvement opportunities. They do this by having the front-line improvement team continuously set new targets to challenge the norm, as well as some new targets being set by management.

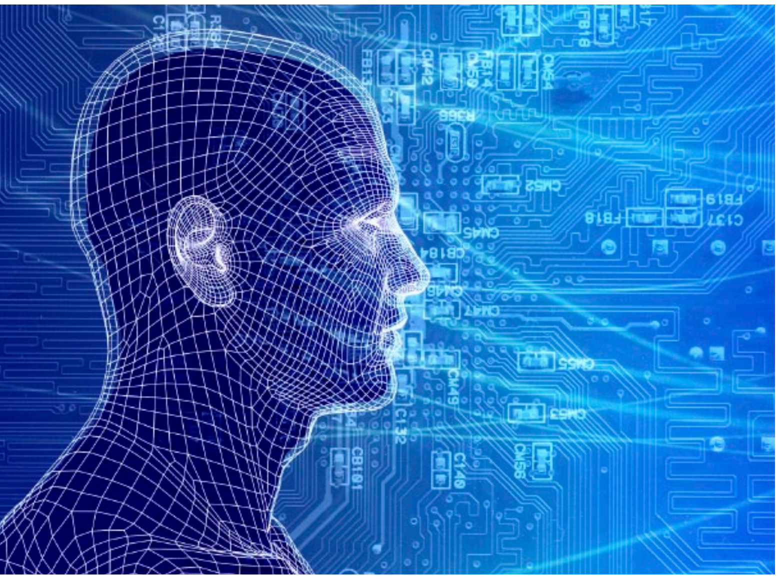
SCMC has now made an across-the-board decision to also introduce TRACC at the Suzhou and Beijing sites.

RESULTS:
Set-up time dropped from 12 hours to 4 hours.
All operators became fully involved in the process of analysis and improvement and were sufficiently trained on STR before engaging in any activities.
A highly motivated work force - more than 85% of the STR improvement suggestions came from front-line operators.
RMB 500 000 return on investment within the first three months.

FROM FUNCTION TO PROCESS

FEW GLOBAL ORGANISATIONS HAVE THE CAPABILITY TO DRIVE THE REQUIRED TRANSFORMATION THAT WILL DELIVER SUPERIOR PERFORMANCE OVER THE LONG TERM. GLENN LEASK ARGUES THE CASE FOR AN INTEGRATIVE IMPROVEMENT SYSTEM THAT WILL HELP TURN THE TABLES.

Glenn Leask — President, CCI Inc



Operations management, and its underpinning philosophies, have evolved dramatically over the last 100 years. Henry Ford made a step change from traditional craft manufacturing in the early 1900s and Toyota made another in the years following the Second World War. Proctor & Gamble is a more recent example of a company that has redefined the role of operations in the competitive world of modern business, while corporations such as Toyota are the benchmark used by companies trying to redefine their operating models. But despite the many books, articles and white papers written, few have had success in replicating the culture that characterises the outcomes of the Toyota Production System (TPS).

Many books written on Lean implementation have typically (and adequately) described the end state and the techniques that have to be adopted to reach that end state. Significantly less have described implementation, the organisational design (skills, structures, rewards and process changes to deliver the selected strategy) and change management that needs to be in place to make the transformation sustainable. Consequently, companies attempting implementation have often applied the techniques as isolated projects that are then never adequately embedded into the daily operational work routines.

A company wanting to replicate the TPS needs multiple functions to synchronise improvement work across a web of global sites and offices. To sustain the change, companies need to incrementally build individual competencies while simultaneously inspiring people to embrace often fundamental adjustments to how they do work, as well as providing a clear vision of their role in helping the organisation execute its strategy. Orchestrating and managing this change cannot be done using standard project management techniques from a central programme office.

The transformation from a functionally managed organisation to one that is process-based and designed with the ability to always meet (and even shape) demand, is a complex set of organisational development, front-line execution and systems improvement work that needs to happen simultaneously. Increasingly, companies are realising that a comprehensive management system is required to clearly define the work to be done and to manage the competencies, procedures, processes and people that ultimately influence a performance-driven culture.

Over many years, CCI has done substantial work to research and define what systems need to be in place to enable effective implementation. It subsequently defined and formulated the term 'Integrative Improvement System' (iiS) to encapsulate the broad range of components and features a system requires to effectively manage this transformation. A diagnostic tool (iiSd©) was also designed to enable a company to assess and benchmark its current systems against those that have made the Toyotas and Proctor & Gambles of the world successful.

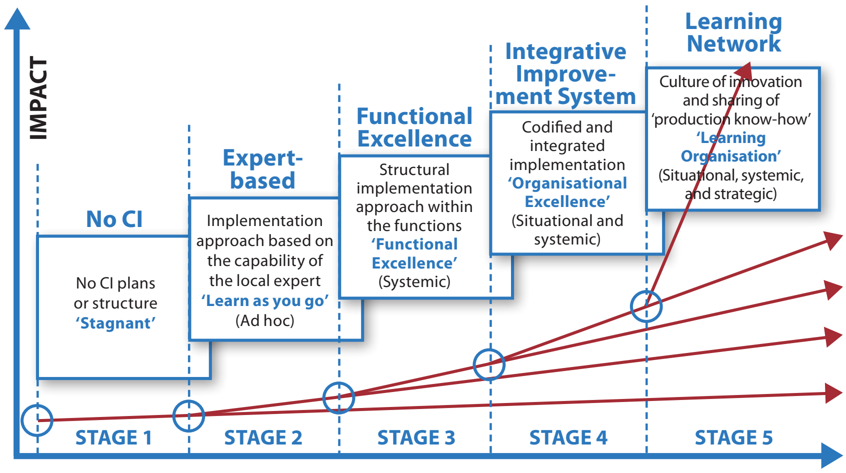
Components and features of the iiS

Successful systems require three key structural components to effectively drive the transformation process — maturity-based transformation, functional integration and sustainability through a three-tiered system. A complete management system requires that these three structural components to ensure implementation sustainability, effective transformation, and an integrated approach to improvement.

The framework described below sets the parameters against which the iiSd assessment is made.

Benchmarking your improvement system

The accompanying illustration depicts five stages of evolution in continuous improvement (CI) systems through which successful world class companies would typically have evolved in their respective CI journeys. If it is acknowledged that companies who have succeeded in finding the 'holy grail' of culture-based CI have done so through their management systems, it would be necessary to understand these management systems' critical features.



No CI

Companies in Stage 1 manage their operations as a cost-adding function only. No formal improvement initiatives are in place.

Expert-based

The focus is to minimise operations' potential negative impact to the organisation. External experts (corporate personnel or consultants) are used for decisions on strategic operational issues, and CI is done at the sites without a standard approach. Transformation processes and competency development requirements are neither documented nor understood.

Functional Excellence

Companies at Stage 3 follow industry practice and seek competitor parity. The planning horizon for investment decisions is generally within one single business cycle only. Capital investment is often regarded as the primary means for catching up to competition or gaining a competitive edge.

Integrative Improvement System

Companies at Stage 4 have now migrated towards a complete management system, rather than just managing a set of disconnected point solutions or projects. They have defined best practice (and the maturity-based execution process to get there) across all their functional systems and have developed a diagnostic tool that measures current status. All CI methodologies have been incorporated into a shared platform with the functional improvement methodologies, and the entire organisation is engaged in improvements across the supply chain. The management system, with implementation detail and training programmes, is available in multiple languages to enable engagement across multiple geographies.

Learning Network

Stage 5 organisations have a demand-sensing, end-to-end value network in place, driven by engaged employees that are good at detecting problems, and then 'swarming and solving' the problems to build new knowledge. All aspects of the internal and external supply chain are used for competitive advantage. These organisations are learning at multiple levels — not only improving processes, systems and practices — but also about improving the learning process.

Objective of the iiSd ©

The iiS diagnostic has been designed to evaluate a company's ability to implement and sustain a CI culture. It measures a company's systemic ability to effectively manage all aspects of change across multiple themes such as strategy, standardisation, integration, results and tracking, etc. The diagnostic has more than 140 questions across these themes.

The iiSd can be regarded as a measure of the improvement potential available in an organisation, of how well it has defined its operational strategy and the capability to effectively deploy this strategy, and how balanced current initiatives are against the critical assessment themes. The iiSd also acts as a benchmark against what other organisations are doing and serves as an indication of the gap between current systems and what is required to get end-to-end business improvement.

It should be noted, however, that the iiSd is not a tool to measure business performance — some industry leaders may have low iiSd scores because that industry as a whole is in the early phases of improvement initiatives.

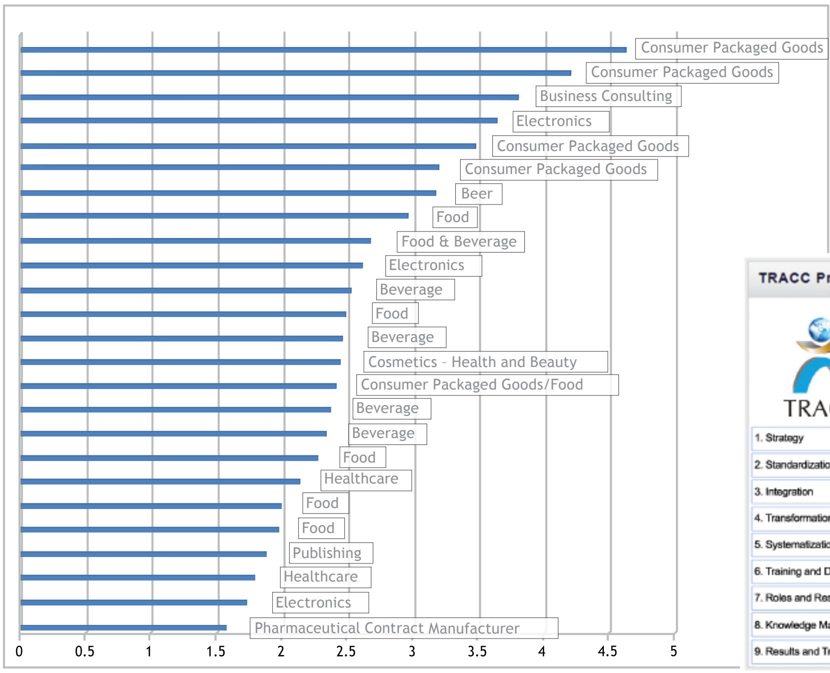
Analysis of results

An initial high-level survey across 85 companies showed that 70% of companies were between a Stage 2 and 2.5. To validate this initial survey, a more detailed database is being built. The current detailed database extends across 16 Fortune 500 companies, all advanced in their respective industries.

The industry results are shown on Figure 1.

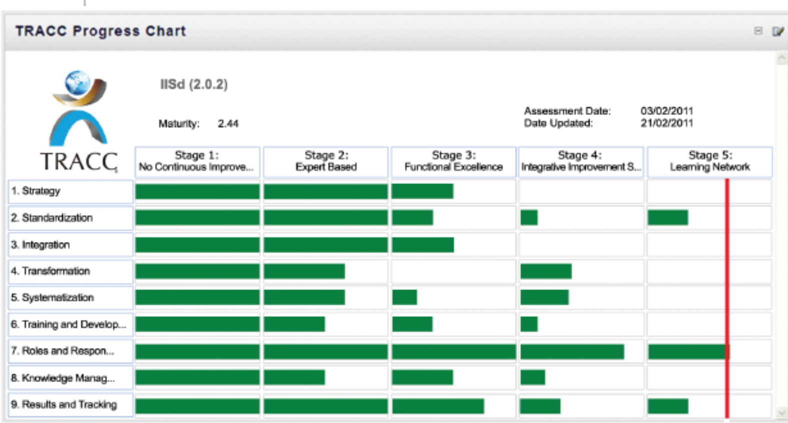
The survey indicated that organisations below a Stage 4 are unlikely to successfully replicate the long-term performance culture exhibited by the world's leading corporations such as Toyota. A typical output from the diagnostic is indicated in the progress chart (see Figure 2).

Figure 1: Results of high-level Industry Survey



So far, the iiSd has revealed that existing systems in most Fortune 500 companies do not have the capability to drive the required transformation that will deliver superior performance over the long term. What has thus become evidently clear is that, to ensure the building of sustainable advantage across the end-to-end supply chain, companies will have to seriously consider developing an integrative improvement system capability.

Figure 2: TRACC Progress Chart



CROSSING THE THRESHOLD

MOLSON COORS IS A LEADING GLOBAL BREWER HEADQUARTERED IN DENVER AND MONTREAL. ITS PRODUCT PORTFOLIO INCLUDES LEADING PREMIUM BRANDS SUCH AS COORS, COORS LIGHT, MOLSON CANADIAN, CARLING, BLUE MOON AND KEYSTONE LIGHT, WHICH ARE SOLD ACROSS NORTH AMERICA, EUROPE AND ASIA. MOLSON COORS IS PUBLICLY TRADED ON THE NYSE AND HAS A MARKET CAPITALISATION OF ROUGHLY $7.4 BILLION.

CASE STUDY

Brian Coffin – Manager, Global Asset Care & Energy, Molson Coors Brewing Company

Molson Coors started its WCO journey in 2005. While early implementations failed to gain and maintain momentum, considerable progress has been made in the last two years. As an asset-intensive industry with a high fixed asset base, Molson Coors views asset care as a competitive advantage.

How we manage our assets over our lifecycle has a big impact on our ability to meet customer demand, achieve high factory efficiencies, and improve return on invested capital. Based on this operating context, the group implemented the Asset Care TRACC to maintenance

teams, in parallel with the operational teams that focused on the implementation of the Visual Performance Management, 5S, Focused Improvement, and Teamwork TRACCs. This implementation approach ensures that performance gains will be achieved sooner in the WCO implementation rather than delayed, as the improved reliability provides stable processes that support the operational teams' speed of implementation.

Molson Coors has learnt a number of lessons during its WCO journey. One such lesson is the importance of management's involvement in leading the initiative. Management needs to have a key role in driving practice maturity to Stage 2. Once teams reach Stage 2, leadership becomes subservient to the teams and teams start driving the maturity forward. Another lesson was the need to provide clear assessment criteria guidance. We found that people failed to grasp the effort required to achieve a 'Yes' for assessment criteria. Thus we formed a cross-regional team that included TRACC specialists to develop a clear statement of intent and minimum evidence required for each criterion. Now everyone has a clear target.

Leveraging an enterprise approach

Molson Coors realises the value in leveraging the knowledge, experience and best practice across the enterprise to ensure efficient and effective implementation. Information is shared globally via monthly calls with all asset care managers, face-to-face meetings, cross-regional support during asset care assessments, an electronic site for best practice, and internal and external benchmarking.

In late 2009, Molson Coors began to partner with TRACC to integrate its legacy asset care programme into the Asset Care TRACC framework. This eliminated any confusion. We've also worked with TRACC to develop support materials for asset care such as Asset Care Strategy workshops for all levels of the organisation (shop floor to top floor), a Fast TRACC RCM programme, and an Autonomous Maintenance Strategy workshop.

Strategic approach

The asset care programme at Molson Coors takes a strategic approach to the TRACC implementation. We consider themes 2, 3 and 4 as 'performance themes' and themes 5 – 10 as 'enablers'. Resources are then focused on themes 2-4 to ensure that we are driving performance and meeting the needs of our customers. This is not to suggest that we ignore the other themes – we lead with the three performance themes and then ensure the enabler themes are in place to support and ensure sustainability."

Overall, Molson Coors has delivered $851 million in annualised savings over the last five years, while underlying free cash flow as a percentage of net sales has doubled in the last three years.

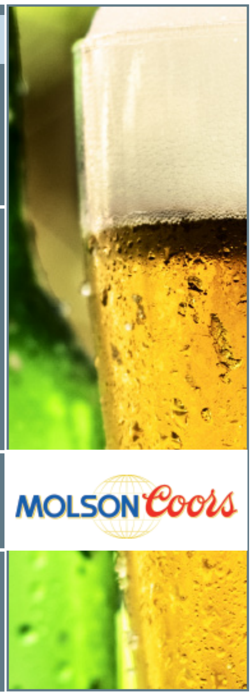
RESULTS:

Molson Coors has reached the tipping point between WCO practice maturity and performance. As WCO maturity has increased, a number of breweries are seeing record performance and engagement scores.

The malting facility has embraced asset care practices and transitioned from a reactive to a proactive maintenance culture, having focused on driving the strategic themes of asset care. Overall plant reliability (mean time between failures) increased from 6 days (2008) to 18 days (2010). Maintenance costs per ton of malt produced reduced by 18%.

Improved asset care practices have helped the Tadcaster brewery to increase factory efficiency by 15% over the last 27 months.

The Moncton brewery has increased its proactive maintenance work through maturing asset care practices. This has supported an 8% improvement in line efficiency.



NO MORE GREENWASHING

ENVIRONMENTAL SUSTAINABILITY HAS BEEN A GROWING BUSINESS CONSIDERATION SINCE THE 1992 UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT IN RIO DE JANEIRO AND THE ADOPTION OF THE KYOTO PROTOCOL IN 1997, YET THE PRACTICAL IMPLEMENTATION OF MEASURES FOR MEANINGFUL CHANGE HAS NOT KEPT PACE WITH THE DEVELOPMENT OF LEGAL FRAMEWORKS, POLICIES AND STRATEGIES.

Raoul de Villiers and Bridget Woods — CCI

Governments across the world have introduced comprehensive legislation for addressing environmental sustainability (ES) issues, but have found implementation and enforceability to be practically complex. In the same way the introduction of policies and strategies by corporations and businesses has not always led to substantial changes in how companies operate.

There are several reasons for this, the most notable being that globalised market access has increased volatility, forcing focus away from longer term issues (such as sustainability) to short-term risks and opportunities for profitability and survival.

Also, the business case for sustainability is not immediately visible to the uninitiated, meaning that there is a focus on legislative compliance only.

Corporations have become aware of the investment and commitment difference between minimal level of activity required for marketing purposes (often called ‘greenwashing’), and the comprehensive level of activity required for true incorporation of ES into company functioning.

However, the threats to our planet from greenhouse gas emissions and other forms of pollution and resource depletion are becoming increasingly clear. A developing body of research and numerous

business examples worldwide are showcasing the possibility of both short-and long-term benefits to integrating ES into the core business functions of an organisation. Terms such as eco-efficiency, eco-design, and eco-advantage are being used in case studies that demonstrate the financial as well as the ecological benefits of innovations to, for example, reduce resource use, eliminate packaging, recycle parts and reuse easily disassembled materials at the end of a product’s life cycle.

CK Prahalad, Professor of Strategy at the University of Michigan’s Ross School of Business, identifies environmental sustainability as the new driver of innovation and source of competitive advantage, while authors David Winston and Daniel Esty in their book ‘Green to Gold’ define sustainability as the new business megatrend. The case for integrating ES into core business is better than ever.

For an organisation to operationalise sustainability, ES must move from being the responsibility of a support function focused on legal compliance and short term risk management, to a core operations function aimed at innovation and opportunity realisation.

Aligning ES policy with operations goals

In order to integrate ES policy and strategy it is necessary to translate the corporate level policy and strategies into practical goals and activities at the operations level, based on implementation experiences. A system should be in place that allows operational leadership, together with environmental specialists, to prioritise operational environmental issues (for example, water, waste, energy, air pollution, substances of concern and biodiversity) that support the corporate strategy and deliver results for the operation.

A feedback mechanism is also required to provide information back to corporate level. A system must be in place that allows ES specialists and operational teams to benchmark and share best practice across the organisation and in particular with the corporate ES function. Corporate policy, strategy and target reviews are then informed by actual best practice and performance.

Bringing ES into the core operations

Increasingly, ES strategies/policies will necessitate operational changes and ES specialists on the ground will need to work closely with core business functions to realise opportunities, manage risks and ensure compliance. This will mean that ES no longer operates in a supportive capacity removed from core processes. ES specialists must become part of operations teams and must provide advisory services directly to teams, leaders and operations management. Core operations functions, such as production and engineering, need to internalise ES objectives as part of the composite suite of objectives pursued and develop the knowledge and competence to manage environmental performance in areas such as water and energy use, including waste management.

To monitor progress and inform improvement efforts, ES objectives need to be tracked using a system of goals, KPIs/metrics and targets at appropriate levels and in areas of high environmental resource use or impact. These indicators ensure that ES-related improvement opportunities, risk mitigation and compliance gaps are identified in problem-solving processes and addressed by focused improvement teams.

As internal environmental practices mature, the operation needs to increasingly partner with the other supply chain functions for further innovations that will impact operational environmental performance. This includes working with Research and Development to redesign products and packaging, with Procurement to source eco-efficient materials or with Distribution to bulk pack product, or use hybrid vehicles. Partnering with other stakeholders such as NGOs, small business or local government can also lead to cost-effective innovations, such as upcycling ‘waste’, sourcing renewable energy, or re-using water.

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Often sustainability reporting is conducted infrequently and is based on ad hoc data gathering and compilation. Rigorous measurement of ES activities enables better sustainability reporting as ES measures are tracked at the same frequency as other KPIs. The benefits of ES activities are therefore immediately visible – both at operational and corporate levels.

Integrating environmental management into day-to-day operations begins with small steps – clarity on priority environmental issues for the operation, a focus on high-impact areas, quick and early wins, and educating and engaging employees. Subsequent steps require the systematic empowerment of operational teams at all levels and across all functions to manage the environmental issues relevant to their areas with related enablers such as benchmarking and sharing of best practices. Industry leaders then take environmental performance to the next stage by innovating products and processes in partnership with the supply chain and identified stakeholders.

An integrative improvement system that guides and monitors the step-by-step implementation of ES best practices (such as TRACC) is an ideal tool for operationalising the corporate ES strategy, as it clearly demonstrates how the challenges of sustainability can become opportunities for growth and profitability.

FIRST–EVER TRACC AFRICA/MIDDLE EAST CONFERENCE

More information, including speaker downloads, can be accessed at www.etracc.net

The first-ever TRACC Conference on the African continent took place from 13-14 April 2011 at the Radisson Blu Hotel in Sandton, Johannesburg. Some 135 improvement practitioners and industry leaders from 46 companies and 15 countries shared experiences and ideas on how to sustain operational excellence through people.

Adding a global flavour to the event was keynote speaker Kathy Wright, Programme Director of the DuPont Production System. Wright's presentation focused on DuPont's multi-year effort to drive operating discipline through standard best practices and aligning a diverse, global organisation to drive bottom line returns. Wright belives that operational excellence can only be achieved if all employees are thoughtfully and thoroughly engaged – from shop floor operators to business unit leaders.

Central to this effort is the DuPont Production System of which TRACC forms an integral part. "TRACC helped us standardise best practice across all our DuPont operations and stopped the duplication of content around standards and best in class," she said.

Speakers from DuPont, AstraPak, Bafokeng Platinum Mines, Xstrata, SABMiller Africa (Nile Breweries) and Beyti in Egypt presented case studies during the conference.

The conference was preceded by a one-day TRACC Alliance which brought together more than 80 TRACC users from multiple TRACC sites. They had the rare opportunity to leverage each other's real-life experiences in finding and implementing solutions to change management challenges. The main objective of the work session was to create successful transformation through leadership at site level. Special emphasis was placed on Leader Standard Work, Change Management and Leadership Development.

After the Alliance, participants walked away with a customised LSW programme to assist in managing day-to-day change management issues specifically related to TRACC implementation.

UPCOMING EVENTS

US Conference, Chicago

EVENTS

2 day US TRACC Alliance Workshop - 11 & 12 October

Leveraging the Collective Knowledge of the TRACC Community... Why reinvent the wheel?

1.5 day US TRACC Conference - 13 & 14 October

Sustainable Performance Improvement through an Integrative Approach.

Speakers and case study presentations from leaders at: DuPont, Heinz, Incitec Pivot, MillerCoors, Lion Nathan, SunCoke Energy