

# Competitive Manufacturing

## Clelands Timber Limited New Plymouth, March 2010



*For years, we had good budgets and targets, but did not sufficiently analyse the reasons why we didn't always achieve them.*  
*Alistair Dore General Manager.*

---



We needed to engage the minds of all our staff to discover why our budget and targets were not always being met, then give them methods and tools to analyse situations and come up with solutions. Competitive Manufacturing (CM) training has been a successful approach to achieving that for our company.

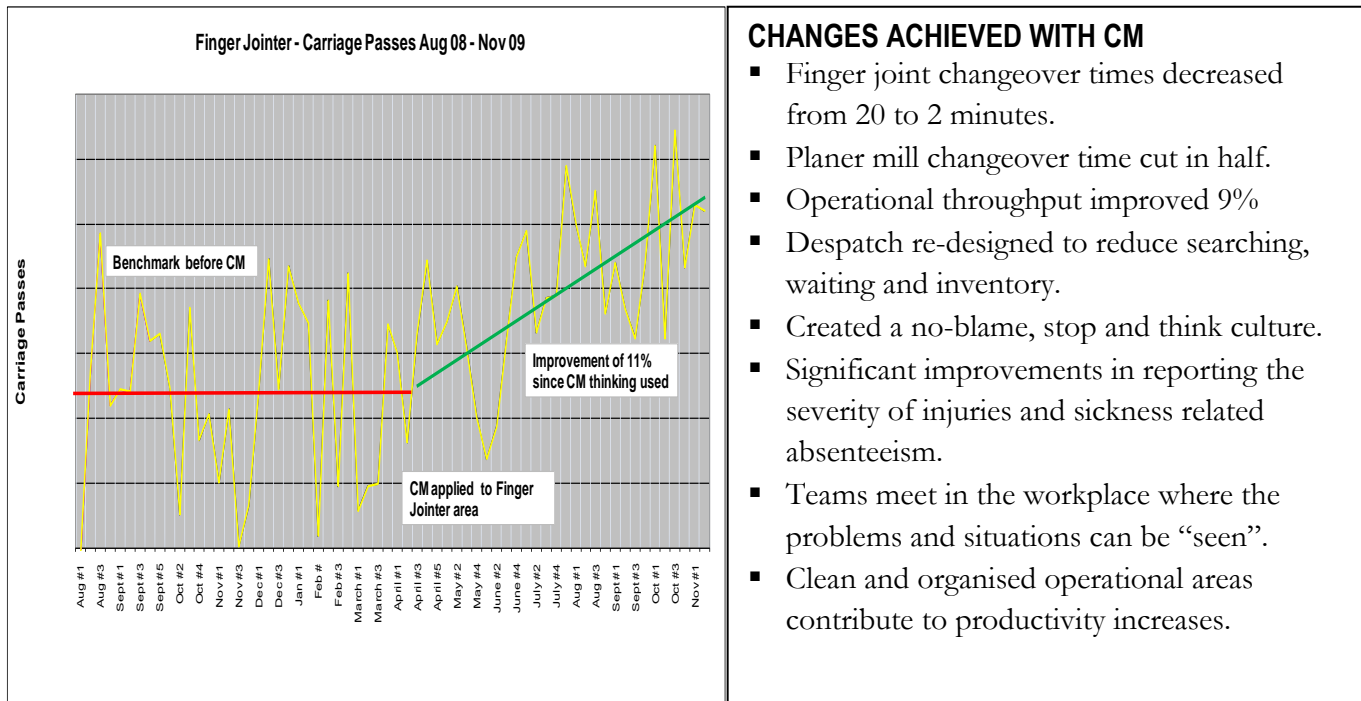
We wanted the staff to stop and think about what they were seeing and be in a position to act as a team to fix things. CM gave them the tools to delve deeply into finding root causes and to find simple low cost or even no cost solutions.

The gains from our first 12 months of implementing CM have been significant. The culture change we achieved led to a turnaround in our operating results. Results that make a significant impact on our business are changeover times, and uptime of machines. Our finger jointing changeover times decreased from 20 to 2 minutes and finger jointer throughput increased between 10% and 12% through simple changes the teams made. A simple tool belt and a set of tools for each operator helped reduced our planer changeover times from 40 to 20 minutes. The total cost of \$1,000 for this solution was insignificant when compared to the gains in productivity.

A review of our business efforts over the past year shows a slight increase in gross profit percentage to the previous year, even though turnover was down by 22%. This was achieved by all staff mining out waste they had under their control. Investing \$49,000 in wages for staff training and \$6,000 on tools and visual management has started the changes in culture we want.



## Case-study #2 Clelands Timber limited



As a private medium sized business, we do not reveal our financial information but are able to acknowledge the production gains achieved contribute approximately \$17,250 per month to the bottom line. Our return on investment (ROI) was achieved within three months.

We have seen significant improvements through supervisors and staff taking far greater ownership of their respective departments. We are giving the wider staff more information about the business and the response has been to apply what they have learnt in practical ways. Through 5S and reducing waste, we are on a continuous committed journey of improvement. Some of our competitors are from offshore, and as a majority exporter, we compete against them on cost, delivery and quality. Our only sustainable method of improvement is through continuous up skilling of our staff. The Competitive Manufacturing qualification has given us a new set of skills with which to compete.

### A PERSONAL JOURNEY OF LEARNING

#### Scott McCabe, Operations Supervisor:

Here was an opportunity to learn some new skills and be able to combine them with my prior learning and apply them to the business.

#### Paul Harrison, Production Manager:

Since starting the CM journey, I have found that I am working smarter in my daily tasks as are the rest of the staff.

#### Jason Curtis, Finger-jointing Foreman:

Since starting CM, I have noticed heaps of positive changes in lots of ways from all of us working more as a team.

### COMPETITIVE MANUFACTURING CASE STUDY INFORMATION

The full length case study is available at the Competitive Manufacturing web site at [www.cmi.org.nz](http://www.cmi.org.nz)