



## Introduction

A diagnostic was carried out at XXXXXX by FIRA and XXXXX on 17<sup>th</sup> December 2008.

The XXXXXXX is the European manufacturer and supplier of the XXXXXX Saddle Seat. The saddle seat is an ergonomic seat designed to allow the user to sit correctly with the natural S shape of the spine. As such reduces back pain and aimed at people who sit all day to perform their job. Main customers include dental practitioners.

The unit in Essex houses the offices, and manufacturing facility. The process involves cut and sew, upholstery and assembly. The design of the seat is held by an Australian company who holds the patent and design rights.

The diagnostic could only comment on what was seen on the day.

This report includes a summary, and in the appendix there is a detailed report of the observations of each area.

## Summary

The diagnostic review has highlighted that the XXXXXX is a highly effective and recommended product. The quality and customer satisfaction levels are high. There are some good practices around resolving issues and managing the supply chain to meet the required standards. The company is also supporting its employees with NVQ training.

Moving forward the company would like to develop and improve the product but is frustrated by the patent holders who are not looking to develop the design. The company is also looking to develop sales and increase volume. This may have implications for workshop and building future capacity i.e. extra space and capable processes. With that in mind some of the opportunities for improvement identified in this report may need to be developed.

Opportunity for improvements exists around enhancement of the workshop layout coupled with improved production planning and workplace organisation. Other areas to consider as the business grows should be development of formal Quality Cost and Delivery measures to help manage the performance and feed into a Continuous Improvement Plan. There is also a dependence on a contracted upholsterer who only works part time at XXXXX. There is nobody else who can upholster and the upholsterer has to build up stock and possibly build more than is required or build what suits him.

## Recommended Next Steps

1. Develop the continuous improvement plan beyond design issues.
2. Development of QCD KPI's to manage the business and improvement and provide feedback to employees.
3. Look at communication methods and implement regular company brief and visual communication boards.
4. Review workshop layout and look to bring processes closer together removing walls of stock and reducing non value added time.
5. Review production planning and balance of work between processes. Find opportunities to make all parts of process to order to reduce Work In Progress and hence reduce space required in the work shop.
6. Introduce a weekly visual production plan.
7. Introduce and make visual stock levels for required WIP and only produce Cut and Sew and Upholstery to those levels i.e. only replace what has been taken by customer. Set levels against known or estimated demand. Eliminates need for additional production planning.
8. Improve Workplace Organisation and remove unnecessary items
9. Introduce standardised work for all processes and train other employees in upholstery.

Please see appendix attached for detail comments from the review.

## **Appendix: Detailed Report of Diagnostic Results**

### **Continuous Improvement**

There is no Continuous Improvement action plan in place. However the company have made improvements in the past but are restricted on design issues by the patent and ownership of the design.

There may be opportunity to develop a plan that focuses on manufacturing and other company wide improvements that can be changed. A simple plan with actions identified by the employees with the issue, action, target dates and benefits / savings, managed monthly may help.

### **Key Performance Indicators**

There are no formal measures running and displayed in the business. It was clear from discussion however that certain measures such as customer returns is understood.

Recommendation would be to measure and display simple Quality, Cost and Delivery measures. This provides feedback to the employees and helps focus activity on areas where improvement can be made.

### **Customer Complaints and Customer Satisfaction**

This is an area of good performance with Customer Complaints thought to be less than 1%. Quick follow up actions are taken when customer complaints are made and are logged on the CRM system. As above it may be useful to display these numbers and the reasons.

XXXXXX always endeavour to resolve the customers issue with no quibbles leading to high customer satisfaction not only from the product but in the service XXXXX provide.

### **Problem Solving**

As with above, when issues arise the problems are reviewed and followed up. Steps are taken to put it right and suppliers are brought in to help resolve the problem and then fix them if needed.

The key here is to ensure when an issue is resolved that steps are introduced by XXXXXX or its suppliers in the working procedures to stop the same mistake happening again.

## **Communications**

Company briefs do take place when required but not as a regular procedure. There are few visual communications such as measurements to show the business performance or production plans.

I would recommend introducing more visual management and communications to keep work force updated and instructed on a daily basis. A monthly brief detailing company performance (sales, productions, customer satisfaction) would provide an opportunity for two way feedback.

## **Environment**

The company does not have ISO 14001 or an active environmental policy. Whilst not an issue to the companies performance it may be an area to consider in the future and can be a blocker to winning contracts.

## **Quality**

External quality performance to the customer is high with issues less than 1%.

Improvement in this area may come from looking internally. This would involve understanding any issues in manufacturing that are caught before shipping to the customer but are still costing the company money. The start point would be to put some simple internal quality measures in the manufacturing process and record issues daily.

## **Employee Relations**

The overall impression on the day was that employee relations are good.

Training takes place on an as required basis. There is one employee doing an NVQ in Business and Administration supported by the company, which is to be commended and encouraged.

Additional communication as discussed above might also help strengthen the company in this area.

## **Process Layout, Flow and Inventory**

The manufacturing area is relatively small but appropriately sized for the volume being produced. Given there are only 3 main processes (cut and sew, upholstery and assembly) there are limited ways in which the process can be laid out. However there are some distances between each process and the cut and sew is hidden behind a wall of stock. I would recommend that the processes are moved to be as close as possible and that stock is moved out of the way of flow of the material. Feed out points from one process should be



