



Case Study

Planning and executing a
major business transformation

Planning and executing business transformation

The Consultancy Company has developed a proven approach to initiating and managing strategic change projects, assisting companies undertaking major reviews of the structure, size and location of their operations setting the organisational framework for success in stretching economic or growth environments.

Centred on an integrated project management approach, we are able to provide a team of analysts, technical and HR specialists and experienced change managers to take a pragmatic view of the options available for restructure; proposing practical solutions and preparing detailed business cases and plans for implementation.

Over a period of four months, our consultants worked hand-in-hand with Prestige staff to derive and plan the optimal new site layout, which, along with operational planning, sales, manufacturing and logistics solutions, would combine their long term company needs with imperative short term cost and efficiency improvements.



“The Consultancy Company provided an invaluable additional resource at a particularly challenging time. They knew what they were doing and quickly established effective working relationships with all members of our team.”

Tom Graham
Managing Director
Prestige Industrial

Background

Lancashire based Prestige Industrial, produce a range of industrial bakeware for the major bakeries across the UK and, more recently for supermarket ‘in store’ bakeries.

Manufacturing operations were centred in a converted Victorian mill. The building was far from ideal and had seen significant changes of use since its original conversion in the 1960s.

Following a period of traditional downsizing and the installation of a new management team it became clear that the existing buildings were no longer suited to the needs of the business. Plans were initiated to relocate to a new facility. Despite a well-established reputation, it became clear that the general cost performance and innovative capability of the business was not maintaining pace with competitors, and that a major updating of facilities, operational processes and working practises would be required to create a sustainable ongoing business.

Beyond the already stretched senior management team, the company recognised that it did not have the skills or experience to plan and implement a strategic change on this scale.

The challenge

The Consultancy Company was engaged to support the organisation in planning for and implementing the move to the new factory.

The expense of the move had to be contained within the annual operating budget. Therefore in a short period substantial additional savings had to be found within the existing operation.

The objectives of the transformation project were three-fold:

- To generate short-term savings equivalent to £350,000 p.a.
- To create a transformed manufacturing infrastructure and working practices model for future operation that would reduce operating cost by a further £500,000 per annum. Ten percent of the £5 million turnover.
- To produce a layout for the new factory and ways of working to support the new infrastructure, together with a robust implementation plan to transition from the existing building to the new facility within 18 months.



“Once we started working with the Prestige team, it was clear that they already had many of the ideas and knowledge of what to improve. What they lacked was the structured approach and analytical ability to convert these into effective plans. My role was primarily as a facilitator to help them turn their ideas into reality that would bring true benefit to the business.”

Harvey Leach
Consultant
The Consultancy
Company

Understanding the current position

The first stage of the project was to undertake a rapid, but in-depth, review of the business. This included:

- Mapping operational and business processes.
- Reviewing the factory layout and material flows.
- Identifying specific areas of opportunity for operations improvements.
- Analysis of the financial status of the business and availability of appropriate cost information.
- Reviewing procurement activity and expenditure profiles.
- Examining options for strategic outsourcing of high-volume, regularly used parts.
- Undertaking a Customer Survey.
- Assessing the capability of the current IT systems to support the future needs of the business.
- Reviewing the ‘organisational culture’ and assessing its readiness for change.

Based on this analysis, and through a focussed application of our lean principles we identified a number of ‘priority projects’.

Short term business improvements

▪ Operational improvements

Through the implementation of our lean transformation methodologies and shop-floor ‘rapid improvement events’; the project team delivered savings of over £50k p.a. Improved utilisation of equipment enabled purchased material savings of 15% p.a. and a review of welding processes delivered a headcount reduction of six people.

▪ Improved stock planning

Using our proven inventory modelling capabilities, we analysed sales profiles and stocking policy for ‘standard’ items and produced recommendations to improve ‘off-shelf’ availability while also reducing overall stockholding by 12%.

▪ Production planning

Based on an S&OP framework tailored to Prestige we spearheaded the development of an improved production planning regime. This quickly delivered significant improvements in speed to market for new products along with an overall 30% improvement in on-time delivery.

Overall, this created the available funding to underpin the company’s strategic goals.



“The project team worked well together. We were able to move the process forward to completion without detriment to service provision and with considerable cost benefits resulting.”

Tim Richardson
Managing Director
The Consultancy Company

Developing the factory layout

A review of the process mapping and factory flow activity led to the development of new flows that:

- Embodied the key principles of lean manufacturing.
- Improved material flow both within the factory and inbound/outbound to reduce the overall storage space requirement.
- Reduced the number of machines needed to produce required capacity, saving on refurbishment/replacement of equipment.
- Replacement of old equipment and out-dated processes with more modern alternatives to reduce cost and floor space requirements.
- Selective outsourcing of ineffective, high-cost processes to avoid the need to transfer or invest in high-cost, underutilised facilities.

This work was carried out with a multi-disciplinary project team of Prestige staff and our consultants, supported by external specialist equipment technicians where required, to produce a robust, optimised plan for the new facility.

The layout was accompanied by a detailed cost analysis for both the transitional and future operating costs to achieve the required operational cost savings.

Can we help you?

For an initial meeting call:
Jeff Camborne-Paynter
07850 509988

Changing the working culture

Alongside the development of the physical infrastructure and processes, one of our expert ‘culture change’ consultants worked with the operational management to replace outmoded ways of working with a new culture designed to improve:

- Employee engagement
- Team working
- Quality of work
- Focus on ‘on-time’ delivery
- Working flexibility.

The resulting strategy was designed to offer benefits to the business, in terms of more cost-effective working, while at the same time being attractive to the employees – a true ‘win-win’.

Benefits

As a direct result of our support Prestige benefited from:

- A relocation process that was self-funding and had no negative impact on continuity of service.
- A resized operation with optimum headcount that has achieved ongoing operating cost savings of over 10%
- Significant reductions in inventory of raw materials and finished goods and a faster response to market changes.
- A new organisational culture and management restructure that has delivered long term sustainable business growth and retention of key employees.

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