

# Manufacturers' MONTHLY

## Pathways to high performance

🕒 September 27, 2013   📁 Features   👤 Hartley Henderson

Manufacturers aren't always competing against each other. As Hartley Henderson writes, the aim of the High Performance Consortium is to bring business people together to share ideas and learn from each other.

A number of manufacturers in Victoria are reaping substantial benefits from involvement with a program designed as a whole of business improvement model for high potential medium sized businesses.

The High Performance Consortium LTD (HPC), a not for profit organisation, facilitates groups of up to 12 non-competing businesses to undertake a program that incorporates events, site visits, coaching and facilitated peer-to-peer forums.

Enterprises are enabled to work together in a challenging and results oriented environment aimed at assisting businesses to improve productivity and remain competitive.

HPC director, Hugh O'Donnell, says Australian manufacturers must quickly adapt to survive by addressing gaps in key areas such as innovation, leadership and strategy.

"We have proven that manufacturing organisations can use consortia to accelerate and sustain their business development momentum. They are getting better results working with other enterprises, sharing best practice, and applying lean principles and world class manufacturing improvement approaches," O'Donnell said.

Corex Plastics in the Melbourne suburb of Dandenong is a privately owned company that employs around 120 people and produces a wide variety of customised durable containers and boxes, from vegetable, fish and plant boxes needing wet strength, to composite boxes for automotive components.

Apart from supplying the domestic market, Corex products are exported to a range of destinations including New Zealand, South East Asia and China.

According to managing director, Simon Whiteley, the company has been involved with HPC for some 10 years and the benefits continue to be substantial.

"A key to the success of HPC is in the interaction generated through development of peer-to-peer networks and multiple contact points in participating businesses," he told Manufacturers' Monthly.

"We are able to see our operations from different angles and learn from each other's experience in non-competing businesses.

"At Corex, the whole emphasis is on product whole-of-lifecycle involving lean and green manufacturing. Plastic doesn't deteriorate and breakdown like paper packaging, so it is important to divert from landfill and recycle waste and used product."

Whiteley emphasises that there must be a focus on both the raw materials supply side and the customer side, as well as waste reduction in manufacturing processes, to properly close the loop.

"We are vertically integrated as much as possible, from producing flat sheet to designing and making finished packaging, which in turn has helped to provide stability in pricing.

"Used packaging is returned from customers from around Australia, recycled, and put back into the business as raw material.

"In the last 3 years, our carbon footprint has reduced by some 75 percent, and we see the company as an environmental custodian.

"HPC is assisting us to maintain a focus on staff development and continuous learning, and through focus groups, the Consortium is giving us confidence that we have world's best practice at the forefront.

"Specific benefits for Corex from recent involvement with HPC include a substantial reduction in product changeover time, and a 45 percent reduction in lead-time and through-put time in the production of Tote boxes.

"A central strategy for the future is to sell more into Asia. But we are faced with some significant challenges outside of our control, such as exchange rate movements, rising oil prices, and our energy costs that have increased by around 37 percent in the last 12 months, and over 100 percent in the last 5 years."

### Cultural shift

Based in the Victorian regional centre of Ballarat, Gekko Systems employs some 140 people and specialises in the design and production of innovative mineral processing equipment and systems for the Australian mining industry, as well as exporting to over 40 countries.

CEO, Elizabeth Lewis-Gray, advises that Gekko Systems has been involved with HPC for about 5 years and many benefits have flowed from participation including a powerful cultural shift throughout the business.

*The aim of the High Performance Consortium is to bring business people together to share ideas and learn from each other.*

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"Our involvement with HPC is multi-tiered, from the CEO right down to the shop floor, and all levels have strong peer engagement in looking at work processes and providing feedback," she told Manufacturers' Monthly.

"In addition, people from all levels of our organisation go to other HPC participating enterprises to work on projects with their peers.

"Coaching and learning days are also organised to look at projects, such as better work flow in the factory and all parts of the business, via initiatives such as RIPA (Rapid Improvement Project Activity) and SNAP (Special Network Action Project).

"We are currently concluding a special procurement RIPA project at Gekko Systems involving a workshop where other HPC members are invited to send participants with relevant expertise, such as finance, negotiation and procurement.

"The aim is to analyse existing arrangements and develop improved strategies, documentation, and procedures, including terms and conditions of procurement. The cross-organisational improvement team returns later to interrogate the Gekko Team responsible on the success of the project and to consider further improvements."

Lewis-Gray says five areas have been identified where the company can get the best return on investment. She believes 10-20 percent productivity improvement and dollar savings will flow from the project.

"Involvement with HPC has resulted in significant outcomes from a range of projects including a focus on lean manufacturing where we have more than doubled our factory output without growing floor space or staff numbers," she said.

"Very strong results have been achieved in factory work flow, stores and logistics, and we are particularly pleased with our safety record where 1,000 days free of lost time injury have been achieved.

"It is important that we continue to drive costs down because we are a large project manufacturer that competes globally. It is particularly expensive to ship bulky products overseas, so there is a special focus on streamlining the design end of the business as well as production processes."

HPC has been self-funded by member companies since 2006, but it recently received a Victorian Government grant to establish a second consortium (HPC2) with a focus on the northern and western metropolitan areas of Melbourne, as well as regional areas.

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