

A lean initiative



Organisation: Hathaway Roofing Limited
Specialist contractors

Case study

Ref. no: CB166
Date: June 2003
Sector: Specialist contractors/
Consultants
Theme: Lean construction/
Continuous improvement

Hathaway Roofing Ltd (HRL), a specialist roofing and cladding contractor with an annual turnover of £27 million, decided to carry out a lean awareness programme across the whole company, as part of its business strategy for the 21st century. As a result there has been a major transformation of the manufacturing facility with a reduction in inventories of 60%, product lead-in times have been reduced by 25-50% and emergency work can be accommodated more easily.

Why change was needed

Having seen the benefits of 'lean' concepts within the automotive supply chain, HRL undertook the lean initiative as a means of continuous improvement in an already successful business which aspires to be the leader in its field.

Key benefits

- At full capacity, productivity in the factory improved by 35%, leading to improved margins
- A review of product packaging and improved efficiency in site delivery have helped reduce waste
- Better quality control on factory goods has led to a reduction of rework on site
- Better customer liaison and increased flexibility have led to the ability to adapt to changes in site schedules
- All the above have helped to consolidate relationships with existing customers as well as increase potential new clients' confidence in the company.

Adopt a realistic timescale

HRL began by accepting that the lean transformation process would take up to four years. The process began in March 1998, focusing first on the factory (phase 1). The factory is now in the continuous improvement cycle. Phase 2 of the process began in March 1999 and ended in 2002.

Use a consultant to train managers

A consultant, Rubicon Associates, with experience in the concepts of lean thinking and organisational change, was engaged to help tutor and coach managers throughout the company. Managers at all levels were then given introductory training in the subject and in the application of tools and techniques to be used.

Begin in one area of the company

The factory led the process by involving all staff and carrying out 'value stream mapping' with a detailed analysis of every factory operation.

The results included

■ A new factory layout

Over a twelve month period the factory was totally modified and re-designed by the factory teams and factory operations were re-organised

■ The retraining of factory workers

Most of the factory workers were re-trained to be multi-skilled and able to carry out operational production/maintenance requirements

■ Ongoing improvement teams

Ongoing improvement teams within the factory are using the lean process to attain higher levels of quality, efficiency and productivity.

Set up the lean steering group

A steering group of middle managers and representatives from all parts of the company, including the factory, was created, with one member appointed lean transformation leader and chairman. This person was the point of contact with the consultant and generally led the process. These duties were carried out in addition to his managerial role in the company.

The transformation leader reported to the contracts director who also attended the lean meetings. The contracts director was the champion of the initiative, primarily because it was intended that the contracts department should be the penultimate benefactor of any change, the ultimate benefactor being the client.

Lessons learned:

- Obtain the commitment of senior management who need to instigate and champion the initiative
- Introduce a mechanism for staff consultation and feedback from all areas of the organisation
- Give authority to department managers to encourage staff to put forward their ideas on improvements, to review ideas generated and implement those with potential
- Take great care to communicate the aims of the initiative to all staff, emphasising that all suggestions for improvement will be taken seriously.

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The steering group had clear objectives from the board, i.e.

- 1) improve customer service
- 2) complete projects to estimate
- 3) end projects with no outstanding issues
- 4) improve profitability.

The steering group reviewed the value stream of the organisation to identify 'blockages', i.e. areas where people felt hindered in their work. These blockages were analysed and prioritised into project topics, with project leaders assigned to each topic. The project leaders involved staff members considered key to the development and implementation of necessary changes.

Great progress has been made in resolving problems which were mainly due to poor information flow. As with the factory, a positive attitude towards continuous improvement is now evident in all departments.

Restructure the company

A continuous improvement policy has been implemented to determine the best pre-site and on-site management structure to suit the type and scale of the project. Flexibility is the key.

More time has been invested in site staff meetings to explain what HRL wants to achieve and why.

Overcome problems

Finding time to carry out change at the same time as undertaking normal activity was initially a struggle for the factory and for the rest of the organisation. It was therefore imperative for senior managers to be committed to the initiative, so that they might lead by example and create the time to make change whatever the pressures of day-to-day business.

Taking the principle of improvements made in the factory out onto the site was not a simple task. Depending on the project, this may involve a total re-orientation of a site crew's thinking and practices and for HRL this was a big step.

In mid-year 2002 HRL transformed its lean steering group into a continuous improvement group, comprised of senior managers and directors who meet regularly to review projects and devise new initiatives.

One such initiative is known as the "Success on Site Scheme", whereby the contracts department talks to clients' site teams to explain what needs to be in place before HRL arrives on site. As a result HRL's time on site is productive and not wasted.

Outcomes

The company has begun to see itself as a continuous stream of value adding activities rather than isolated groups of connected functions. Communication has improved radically and staff are willing to take joint responsibility for the outcome of their activities.

Next steps:

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