Enterprise Excellence represents a refinement and adaptation of CDC’s successful Operational Excellence programme. It retains those elements of the original programme that have worked well and incorporates new approaches and processes to link productivity metrics directly to financial KPIs and planning.

The key features of the programme are:

- A deliberate enterprise-wide approach to drive efficiencies across the company’s value chain from production planning to finished goods, from orders to dispatch and delivery. This approach will allow management to identify where the greatest efficiencies can best be made across the entire organisation that can then be used as proof of concept that leads to other parts of the business.

- A flexibility of approach with companies able to identify the lowest hanging fruit where improvements can be made.

- The delivery of three “master class” workshops that will link financial metrics to specific productivity metrics that can then be incorporated into the company’s normal business planning cycles.

- Coaching and training delivered in the workplace to both the senior management team and to the staff. This includes an extensive planning phase involving the senior management team followed by three series of rapid improvement events involving staff.

- By the formation of steering groups within companies, relevant KPIs are set, met and owned by the company. This will see the creation of three new roles within the steering group with specific responsibilities — the “financial champion” (the CFO or the equivalent role within the organisation), the “lean champion” (typically the operations manager) and the “capability champion” (the MD or CEO) who role is to lead cultural change within the organisation and support training to effect behavioral change among the staff.

- An emphasis on staff training tied to the NZQA framework to ensure that on shopfloor continuous improvement tools and methodologies are embedded into the organisation. Staff are supported and encouraged to undertake additional training for unit standard credits against the NZQA National Certificate and National Diploma in Competitive Manufacturing.

- A strong focus on relationship management provided by CDC’s client managers.

- Follow-on and support activities including lean hub events and workshops where companies can reference best practice and share ideas.
This workshop will be delivered off-site as two half-day workshops at the outset of the programme to identify relevant Key Performance Indicators (KPIs). Attendees will include the CFO and MD/CEOs of participating companies, CDC’s client managers and the programme consultants. Topics covered in the workshop include:

- Objective setting and linking objectives within business planning to strategic goals
- Key business drivers, critical success factors, key result areas, key performance indicators
- Benchmarking techniques and baseline methodologies linked to operational metrics
- Cost of Poor Quality

The workshops will be delivered to companies over three months.
ENDORSEMENTS FOR OPERATIONAL EXCELLENCE

“Post Christchurch earthquakes Baker Boys Ltd was very fortunate to have had considerable support from the Canterbury Development Corporation (CDC).

As part of the support programme we were offered a position in a subsidised business improvement programme based on the concepts of lean manufacturing.

It would be fair to say that “Operational Excellence” revolutionised the way we operate our business. The improvements are visible and ongoing, the principles and disciplines learned are constantly being refined to improve our business, the results have been very tangible for all to see. Many thanks CDC”

Andrew Moon, Managing Director, Baker Boys

“Operational Excellence has had a significant impact on our business. It provided a way to set goals and motivate our team to solve problems we didn’t think we were ever going to be able to deal with. The mix of practical support on the factory floor and strategic problem solving with the management team was perfect and meant every part of our business became involved. This has helped lead to a culture change and as a result we continue to reap the benefits from the programme. This programme has contributed significantly to the wider organisational improvement successes to date.”

Matthew O’Brien, Managing Director, Kiwicare
3. 1ST SERIES RAPID IMPROVEMENT EVENTS (RIEs)

Delivered by Chris Benn, IMS

The different initiatives identified by the steering group targeting specific areas of the company’s operations will be implemented by staff training provided through three series of Rapid Improvement Events (RIEs). The format for each RIE will include theoretical learning combined with activities and training.

Typical focus areas for a RIE include:

- Implement a Visual Management System to support improved communication and planning
- Apply 5S to improve workplace organisation
- Develop team KPIs to proactively identify areas for focus
- Problem solving — 5 Whys and Root Cause Analysis to identify and resolve the reasons for waste
- Workflow and Plant Layout to reduce floor space and reduce unnecessary motion and transport
- Apply Quick Changeovers to improve machine utilisation and customer response (where applicable)
- Implement Total Productive Maintenance (TPM) to ensure equipment is operating optimally (where applicable)

While the training provided typically covers the “foundation blocks” of lean, where the opportunity presents itself, other methodologies will be demonstrated. For example, although it can take 2-5 years to fully integrate a pull system for a company’s supply chain, as a concept Kanban can be demonstrated and integrated quickly by identifying and applying it to one stock item.

Typically each series comprises 4-5 RIEs delivered ½ day every 2-3 weeks on site with unlimited email and phone support for the duration of the programme.

A step-back meeting is held on completion of each series of RIEs comprising the steering group, IMS and CDC’s client manager. Performance/improvement metrics from the previous series are determined, activities for the next series agreed upon, and benchmark metrics for those activities set.

ENDORSEMENTS FOR OPERATIONAL EXCELLENCE

“In August 2013 we commenced CDC’s Operational Excellence in our factory. Thanks to the excellent input we received from Chris Benn and Adrian Packer as well as the CDC team and a huge effort on our part, the programme has been an outstanding success for us. Not only do we have a more involved and committed workforce but have achieved a 20 to 30% improvement in productivity, all of this within just 18 months. We look forward to continuing with our journey and growing from strength to strength. I cannot recommend this programme highly enough; it has been a life changer for us.”

John Metcalf, Managing Director, Lowes Industries.
4. GROUP WORKSHOP – THE BALANCED SCORECARD

Delivered by Phillip Roth (BDO Christchurch) and Adrian Packer & Chris Benn (IMS)

This one-day workshop will be delivered off-site to all participants. Attendees will include members of the core steering group. The workshop’s objectives will be to align improvement activities to the vision and strategy of the organisation and monitor organisational performance against strategic goals.

The issues covered in the workshop include:

- **Financial** — e.g. ROI, cash flow, return on capital employed, financial results (quarterly/yearly)

- **Internal business processes** — e.g. number of activities per function, duplicate activities, process alignment, process bottlenecks

- **Learning and growth** — e.g. Is there the correct level of expertise for the job? Employee turnover and job satisfaction, training and development opportunities within the organisation. Does the organisation have a compelling employer brand?

- **Customer satisfaction** — Delivery performance to customer, quality performance for customers (warranties), customer satisfaction rate, customer percentage of market, customer turnover and retention rates

5. 2ND SERIES RAPID IMPROVEMENT EVENTS

Delivered by Chris Benn (IMS)

Following the step back review at the completion of the first series of RIEs, the improvement activities for the second series are agreed upon by the steering group and then implemented by staff. As before, the format for each RIE will be some theoretical training combined with an activity and training undertaken by staff to deliver a specific outcome.

On completion of the series, a step-back meeting is held with the steering group.
6. GROUP WORKSHOP – LOSS WASTE ANALYSIS

Delivered by Adrian Packer & Chris Benn (IMS)

This half-day group workshop delivered to all participants will reinforce the themes developed in the planning session at beginning of the programme. It will also be an opportunity for companies to share their experience of the programme to date. It will examine in greater detail issues relating to the various loss categories (e.g. production, materials, inventory, labour costs, etc.) looking at, for example, plant utilisation rates and overall equipment efficiency, material waste or yield loss, etc. As with the previous workshops, attendees will be the steering groups from each company.

7. 3RD SERIES RAPID IMPROVEMENT EVENTS

Delivered by Chris Benn (IMS)

As previously outlined in points 3 and 5.

8. GROUP WORKSHOP – ENSURING SUSTAINABILITY

Delivered by Adrian Packer & Chris Benn (IMS)

This workshop explores the different drivers to ensure the long-term sustainability of Continuous Improvement.

It is also an opportunity for participating companies to share their experience of change management and cultural change in a discussion led by the MDs/CEOs of participating companies.
MEASUREMENTS OF SUCCESS

THE LIKELY OUTCOMES FOR COMPANIES FROM ENTERPRISE EXCELLENCE INCLUDE:

• **Improved profitability:** e.g., measured as a percentage reduction in COGS, additional revenue through increased capacity, reduced inventory costs, etc.

• **Productivity improvements:** including those that contribute to a better customer experience and better supplier relationships

• **Improvements in productivity metrics linked to financial metrics:** e.g., expressed as revenue/cost ratios, revenue/FTE ratios, etc.

• **Training and development:** Companies show a greater commitment to training and developing their staff — in particular, staff are supported to undertake further training in Level 2-5 of the National Certificate and National Diploma in Competitive Manufacturing

• **Organisational-wide cultural change and improvements in staff morale**

• **Sustainability:** Companies continue to embed their Continuous Improvement programmes once the programme has finished.
THE CONSULTANTS

IMPLEMENTING MANAGEMENT SYSTEMS (IMS)

Adrian Packer and Chris Benn are the team that have delivered the Operational Excellence HPWI programme alongside CDC. Together they have over 30 years’ experience in delivering continuous improvement programmes to companies.

**Adrian Packer** is an experienced business project manager and performance improvement consultant. He holds an MBA from one of the UK’s top management schools and is a Lean Six Sigma Black Belt but his point of difference is the ability to apply ‘technical’ models and ‘tactical’ people-skills within an appropriate change management framework. Adrian is a certified performance improvement coach and NLP Master Practitioner with a passion for understanding people and supporting them through the change process. He has delivered lean manufacturing, lean office and lean supply-chain solutions in multiple organisations ranging from multinationals such as Bristol-Myers Squibb and de Beers Industrial Diamonds to smaller entities such as Dale Process Engineering, PDC and Burrows Grass Machinery. Some recent achievements include introducing lean supply-chain management methodologies to the health sector via the District Health Boards and incorporating lean tools and disciplines into the shared service environment.

**Chris Benn** is a highly respected lean practitioner, trainer, coach, mentor and facilitator having significant experience in the general manufacturing sectors and dairy industry. Initially part of the team responsible for the Manufacturing Excellence programme developed for Fonterra, he later became responsible for the development and capability building within Westland Milk Products “Westland Way for Excellence”. He is accredited to deliver training under the NZQA National Certificate and Diploma in Competitive Manufacturing. Chris Benn

**BDO BUSINESS ADVISORY SERVICES**

**Phillip Roth** is a senior partner at BDO. Phillip’s area of expertise is in business development, strategic and business planning and corporate training. In 2003 he received the National Award for the Young Chartered Accountant of the Year awarded by Chartered Accountants Australia and New Zealand.

BDO operates from 15 offices throughout New Zealand with core services in business advice, taxation, corporate finance, business recovery and insolvency and auditing. It is New Zealand’s leading adviser to mid-market & SME businesses, and is the fifth largest professional services network globally and leads the market in advising growing businesses. Partners in the Christchurch office have considerable experience in the manufacturing and engineering sectors, and significant clientele in the service sector. It’s business advisory expertise includes governance and leadership, strategic setting, and organisational culture and employee engagement.

**ADRIAN PACKER**

**CHRIS BENN**

**PHILLIP ROTH**
ELIGIBILITY FOR ENTERPRISE EXCELLENCE?

To be eligible to apply for funding, businesses must meet the following criteria:

• Have between 20-140 Full-Time Equivalent staff (FTEs)
• Have revenue in excess of $1million p.a.
• The business owner is domiciled in Christchurch
• The business owner is committed to the programme and its outcomes, and committed to meeting the financial and time obligations agreed to during the planning phase
• The business owner can demonstrate a commitment to staff training and development
• The business owner can already identify areas for improvement within the organisation
• The business owner is willing to share sensitive information with the consultants and with CDC

YOUR INVESTMENT

_Enterprise Excellence_ is co-funded by Callaghan Innovation.

The total programme cost is $30,000 + GST per company with Callaghan Innovation contributing $15,000 + GST and each company paying the balance of $15,000 + GST.

Space are strictly limited to 10 companies.

FOR MORE INFORMATION

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