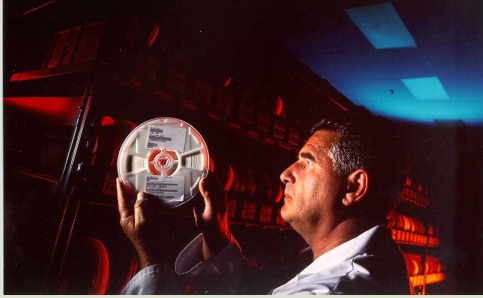


Step Change Business Improvement

CASE STUDY

> SMS Electronics Limited



Background

SMS Electronics is one of the leading UK providers of Electronic Manufacturing Services with over 100 years of manufacturing experience. The company was formed in November 2002 following a management buy-out of the Manufacturing Division of Siemens Communications formerly known as Siemens Manufacturing Services. It offers a full portfolio of services from design, prototyping, procurement, full build and test through to product life-cycle support.

Key Issues

For the first twelve months following the MBO the efforts of the management team were focused on ensuring that the business transfer was successful. This entailed securing the customer base, managing the transition of employees from the old to new company structure, continuing production to the highest quality standards and ensuring a strong and positive cash flow.

The next step for SMS Electronics was to take stock of the business in its entirety - to determine what were the next set of key actions that needed to be addressed and to put these within the framework of an overall business improvement plan. The issues to be considered included the leadership style of the management team, its strategy for long-term survival and growth, its people, its relationships with customers and suppliers, its processes and overall business performance.

Chris Hunt, Marketing Director, recalls, *"We were in danger of not being able to see the wood for the trees. There was a pressing need to set aside some quality time in order to crystallise our thoughts, prioritise activities and develop a robust forward action plan."*

Solution

The management team, consisting of five directors, convened for half a day to conduct an intensive self-examination of themselves and of the business that they now controlled. This half-day session was conducted as a 'round-table' discussion facilitated by an external consultant from Six Sigma Limited.

The process followed was a highly structured approach (RAPID™) that has been successfully used by over one hundred manufacturing companies since 2001, ranging in size from two employees to over 3,000. Against a set of global standards the management team were swiftly able to identify in-depth strength in over 140 areas across the business and that significant improvements were possible in almost ninety key areas.

A further half-day session was organised to synthesise and prioritise the improvement activities within the context of a Balanced Business Scorecard in support of the organisation's mission, vision and critical success factors.

Results

The results of the exercise proved to be catalytic. The Managing Director, Mike Harby comments "I was delighted at the amount of ground we covered in just 2 half-day sessions. I have had experience of these things taking weeks before anything tangible exists and most of that time is spent debating politics within the organisation. Probably the most effective 2 half-day sessions I have ever attended. A highly-developed and most effective toolkit."

The exercise has brought immense clarity to a complex situation enabling the management team to avoid non-value adding activities and to re-schedule others of low value. It has resulted in the identification and prioritisation of 'vital few' actions within both a short and long-term timescale.

For example - the organisation now has:-

- a leading edge business management system modeled on a Balanced Business Scorecard. This management system incorporates a well-defined business management model against which to identify, drive and track both breakthrough and continuous improvement activity across all business activity.
- a best-in-class customer satisfaction survey process designed to enhance the services it provides to its customers by identifying customer future business direction and associated requirements.
- an inter-active electronic information system enabling the management team to monitor daily activity in key business areas at the touch of a button and take corrective action as and where appropriate.
- a 'closed loop' employee opinion survey process that is fully congruent with the business management model.
- a well-defined and documented process by which to generate a robust marketing plan, with in-built diagnostics to identify cause-and-effect relationships.

It is no surprise that the organisation has very satisfied customers, satisfied and well-motivated employees, a passionate belief in UK manufacturing, a growing market share and is generating healthy financial results.

The management team is a credit to British industry and a role model for success.