

Skills — Productivity — Competitiveness — Profitability

<1> The Customer:

Valve Train Components Ltd (VTC) is one of the leading suppliers of valve collets and synchronesh sliding keys to the global automotive market. A first tier supplier to many of the world's premier automotive companies, it manufactures over 300 million valve collets per annum and exports to more than 20 countries worldwide. VTC, based in two modern manufacturing facilities in Lichfield, has some 30 employees and an annual turnover of £3 million.

VTC is a member of the Society of Motor Manufacturers and Traders (SMMT).

<2> The Customer's Need:

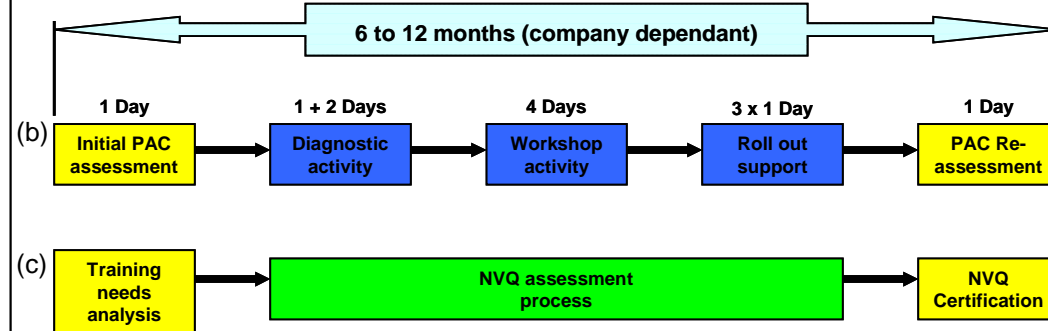
VTC had identified potential for additional sales of its products, and was aware, as an accredited TS16949 company, that it should look to increase capacity by improving its existing Quality, Cost and Delivery (QCD) performance before investing capex.

Furthermore, whilst not stopping their customers' production lines they were in delivery arrears to several companies and were under constant cost down pressures.

<3> The IF Solution

The PAC Framework was developed by SMMT IF for SEMTA to demonstrate how a combination of a "Learning by Doing" process intervention, coupled with employees achieving a National Vocational Qualification (NVQ) in Business Improvement Techniques could yield **sustainable** improvements in productivity that could be measured on the bottom-line. SMMT IF convinced the company to buy a PAC activity to achieve the dual benefits of bottom-line improvement, together with the creation of upskilled employees who could use the practical skills acquired during the "Learning by Doing" activity to implement and sustain continuous improvement, and gain NVQ Level 2 qualifications.

<4a> Overview of PAC Structure



The "Learning By Doing" Process, (b), linked to a National Vocational Qualification (NVQ) (c)

<5> Return on Stakeholders Investment

Seven measures of QCD competitiveness

	Quality	Cost	Delivery
Not Right First Time	●	●	●
Delivery Schedule Achievement	○	●	●
People Productivity		●	
Stock Turns	○	●	●
Overall Equipment Effectiveness	○	●	●
Value Added Per Person		●	
Floor Space Utilisation		●	

● Primary impact on the process

○ Secondary impact on the process

Not Right First Time:

Before: 25,300 ppm

After: Less than 1,000ppm (0 ppm for Aug 2007)

Overall Equipment Effectiveness:

Before: 73%

After: 83%

Financial Benefits:

Value of additional units and improved-NRFT-performance --- £50.4k ---

Value of reduced downtime due to tool breakages £80.2k

Total: £130.6k

Upskilling for Sustained Continuous Improvement:

Achievement of NVQ Level 2 in Business Improvement Techniques for some members of the team

Company Testimonial

"The PAC exercise enabled us to dramatically improve our QCD measures; namely Not Right First Time (NRFT), Overall Equipment Effectiveness (OEE) and Delivery Schedule Achievement (DSA) for our main product group. This product represents 65% of our turnover."

Peter Henderson, Managing Director. Valve Train Components Ltd.