

CASE STUDY

VALVE TRAIN COMPONENTS LIMITED (VTC)



The Company

Valve Train Components (VTC) is a niche supplier of precision engine components to the automotive industry and employs 30 people at its factory in Lichfield. The company has a 14% share of the world market, exporting over 90% of its products to more than 20 countries, including 20% to China during 2007. VTC's components are low in value but high in criticality and manufactured in high volumes, using the latest-technology equipment.

The Programme

Driven by the need to improve its competitiveness in the global market, VTC embarked on a Productivity and Competitiveness (PAC) programme delivered by Semta, the Sector Skills Council for Science, Engineering and Manufacturing Technologies and the Society of Motor Manufacturers and Traders (SMMT) Industry Forum. The PAC programme sought to achieve sustainable bottom-line benefits for the company by linking employee training in B-IT to process and operational changes.

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Peter Henderson
Managing Director

A pilot programme to link employee training in Business-Improvement Techniques (B-IT) to process and operational changes brought dramatic results for a West Midlands engineering company. Set up to test the delivery of productivity and competitiveness gains through The National Skills Academy (the Skills Academy), the model has been proven in a range of businesses and adopted by the Skills Academy for delivery nationwide.

The first task was to tackle problems that were limiting productivity. A trained PAC analyst visited the company to gather data and assess its performance on standard measures covering quality, cost and delivery. From the information collected, the elimination of tool breaks – the main cause of rejects and downtime – was identified as the key issue to tackle. The section where the company's largest volume product is produced was selected as the focus for improvement activity, which centred on redesigning tooling for better strength. Whilst a process improvement engineer worked with VTC to solve problems in the workplace, an experienced setter with many years' service received training, support and on-the-job assessment from Telford College to gain the B-IT Level 2 NVQ.

The Outcomes

A performance assessment carried out after the training and intervention revealed a step change in productivity and competitiveness, including a 12-fold reduction in tool breaks and a 'right-first-time' rate of virtually 100%. Improved efficiency created 50% more manufacturing capacity, enabling the company to win new business. The exercise yielded cost savings of over £130,000, sustainable year on year. In addition, setter, Geoff Page, achieved his NVQ. "The programme met all our needs and enabled us to make dramatic improvements in our quality, cost and delivery measures. We've reduced scrap and increased our overall equipment effectiveness so we can produce more of the component that accounts for 65% of our business," said Managing Director, Peter Henderson. "It's giving us real bottom-line improvement and that's the only true measure."

The Benefits

Long-term benefits to VTC far exceed the impact of the initial exercise. Having an experienced employee qualified to B-IT NVQ Level 2 has given the company the tools to make continuous improvements. Henderson explains: "Now we have someone in the company who's trained and

qualified in the skills and knowledge to implement the techniques in different areas of the business and facilitate further improvements. Activities we've carried out since completing the programme have led to more improvement and we keep pushing the bar up."

The Future

Participation in the PAC programme has acted as the catalyst for a culture change that will take VTC forward. An enthusiastic convert to B-IT, Geoff Page continues to pass on his knowledge to colleagues and new entrants to the company. "That's how we're developing the company," Henderson explains. "When we embarked on the exercise, the idea was that within a year everybody in the business would understand the initiative and the lean manufacturing principles involved, so that we can reduce costs as much as is humanly possible. If we can get the best technology with the best processes and the best people, we can compete with anybody in the world and I believe everybody in the UK can do that."



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