

Factory reconfiguration increases Disposable UK's competitive position.

Disposables UK Ltd is a rapidly growing manufacturer and distributor of paper based products, based near Huddersfield. With annual sales of £16 million and over 90 employees, the company services the UK but is also developing export opportunities.

As a growing business, Disposables UK found itself spread across four sites and these existing facilities were posing a constraint on both efficiency and potential for further growth. Raw materials, manufacturing and stockholding/distribution facilities were all based on separate sites. Looking forward, the company could see that logistics would increasingly impact on productivity and customer service in addition to creating considerable cost.

The business had recently invested over £1 million in new highly automated manufacturing equipment but now wished to take the opportunity to review how best to maximise the potential for growth and expansion in the future.

The decision was therefore taken to relocate the business onto a single site with the aim of improving efficiency and competitiveness, create capacity to grow and maximise the benefit of the investment in the automated equipment.

Brook Corporate Developments, a framework provider of NAMTEC's ERDF funded Direct Company Support Programme, was selected to help Disposables UK Ltd to respond to this challenge.

Solution

A comprehensive programme of work, encompassing the factory layout and manufacturing processes was created.

Existing factory logistics were mapped and a 'future state map' was produced to align with the new factory layout. In addition, the capability and constraints of the new automated equipment were assessed and a plan was put in place

to realise maximum benefit from the investment.

Key Performance Indicators were monitored and a root-cause analysis of service non-conformances was carried out to establish a continuous improvement culture. Furthermore, stock inventory control processes were introduced to support the concept of 'work-in-progress' reduction.

To embrace all these changes and developments, interdepartmental communications and protocols were established to ensure that the overall strategic business management was addressed in a holistic and successful way.

Success

The project has provided Disposables UK Ltd with the ability to exploit the technical capabilities of the new automated equipment in a factory which, with an optimised layout, has improved efficiency and competitiveness.

Introducing enhanced production and stock control disciplines has also enabled a reduction in work-in-progress, hence reducing the working capital tied up in the business and removing a barrier to growth.

Overall, the project has increased the competitive position of Disposables UK Ltd, defending their current market share. In the eight months following the intervention, the company expects to realise a £200,000 increase in GVA and 20 jobs to be safeguarded (10 of which will be female). It also expects a new role to be created by the end of 2013.



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