

### **Change of Focus**



Hilde Fløgstad, Contiga AS

### Hilde Fløgstad - MSc in Supply Chain Management Cranfield

- BSc in Logistics and Transportation Technology
- Production Director, Building industry
- Plant Manager, Food industry (FMCG)
- Plant & SC Manager, Appliances
- Sourcing Manager, Home & Personal Care (FMCG)
- Management Trainee, Transport (Rail)
- Business Development, Supply Chain solutions









### Hilde Fløgstad – Core competence & skills

#### **Core competence**

- Supply Chain Mgt
- Manufacturing
- Procurement
- Planning
- Warehousing
- Transportation
- Lean
- Crisis Management, HSE
- ERP

### Key skills

- Structure
- Creativity
- Management
- Involvement
- Teambuilding
- Sense of urgency
- Always on the lookout for improvement



### Key figures 2014 – Contiga Group

- Turn over:
- EBITDA:
- Pre-tax profit
- Total no. of employees :













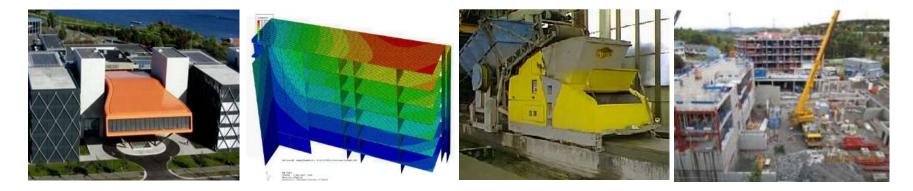




### Contiga AS

#### **Project management**







### Contiga AS – 5 manufacturing sites









### From food to concrete – first impressions





### Pride – we are building the country ©





### **Rough Communications**





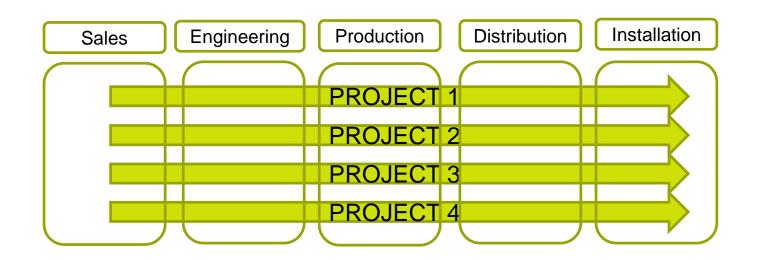
# Focus on delivering - despite all the troubles that crop up during the day

- Searching
- Moving
- Rescheduling
- Lack of components
- Drawings arriving too late
- Prioritising the wrong elements
- Building stock

- Each «man» for himself
- Frustrations
- Conflicts
- Rework
- Overtime
- Waiting
- High costs
- Low margins



### **Project focused**







### First impressions- Lack of structure

- Annual Business Plan
  - non existing
- A lot of talk less action
- Few regular meetings
  - Actions drown in long referendums
- Business targets not fully aligned
- Chaotic file structure
- Needs for investments and heavy maintenance surprisingly appearing to the surface unbudgeted for
- Factories decentralised
  - Reinventing the wheel



### First impressions – organisational

- Low turnover high average age of employment
- Few people with IT competence
- Internally recruited management
  - Lacking management and administrational skills
- The organisation had a tendency to ignore top management decisions and get away with it
- Managers were busy inventing the wheel in HR, HSE rather than focusing on continuous improvement.
  - Few support functions were in place
- Many layers in the organisation within the factories

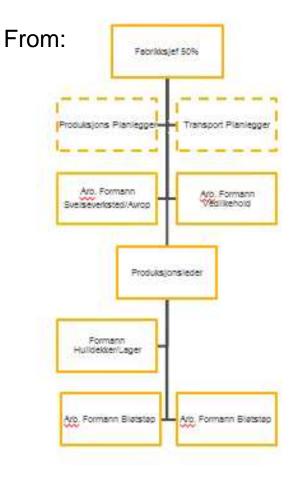


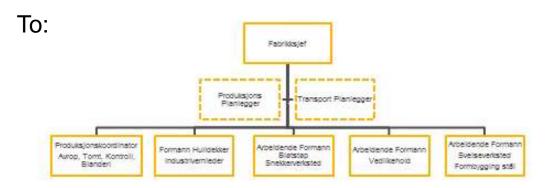
### Change of Focus

- Change management
  - Organise for change
- Structure
  - Enable less talk more action the sense of urgency
  - Align your strategy, plans and operations
  - Measure your effort
  - Regular meetings with action logs
- Shift your focus towards your processes
  - Across the Supply Chain, especially the interfaces
- Implement Lean to reduce waste
- Invest in the new technology and equipment with high ROI



## Organisation – shorten the distance between top management and the shop floor



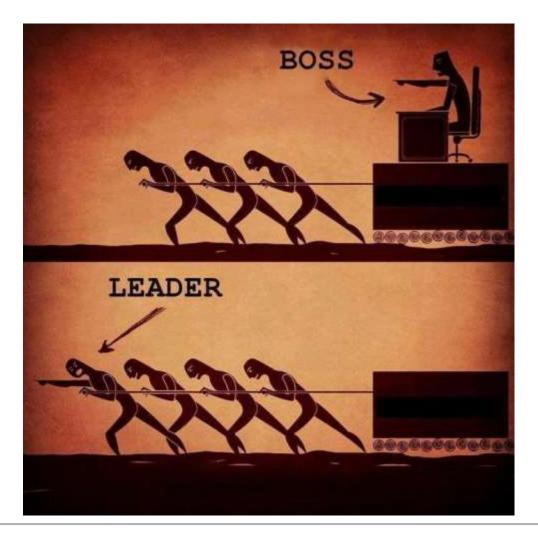


#### Benefits:

- more responsive organisation
- Easier to make changes happen
- Easier to make the right decisions
- Necessary when supervisors have poor leadership qualities



## You need a leader rather than a boss to accomplish a successful change of culture!





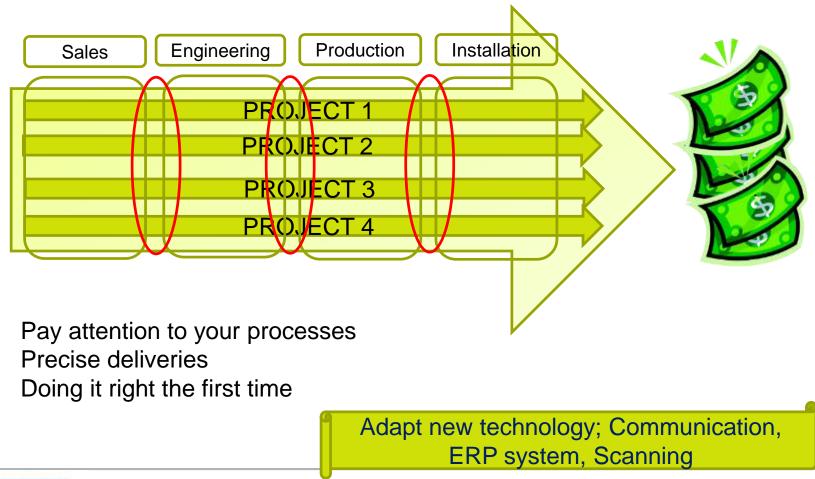
### Structure – less talk, more action Increase the sense of urgency!

- Annual Business Plan
  - Securing aligned targets and coherent actions
- Management Team Production established
  - Best practice united effort monthly meetings
  - Action log
- Management Team established for each factory
  - Action log weekly meetings
- Maintenance plan focus on preventive maintenance
- Investment budget Involvement
  - No surprises, easier to prioritise the investments
- MIA, monthly report KPI's Quality and HSE with trend analysis



### Change of focus

### - optimise across the Supply Chain





Potential for improvement – CLean (Contiga Lean)

Essentially, lean is centered on *making obvious what* adds value by reducing everything else.

- The core idea is to maximise customer value while minimising waste. Simply, lean means creating more value for customers with fewer resources.
- A lean organisation understands customer value and focuses its key processes to continuously increase it. The ultimate goal is to provide perfect value to the customer through a perfect value creation process that has zero waste.



#### 5S before and after

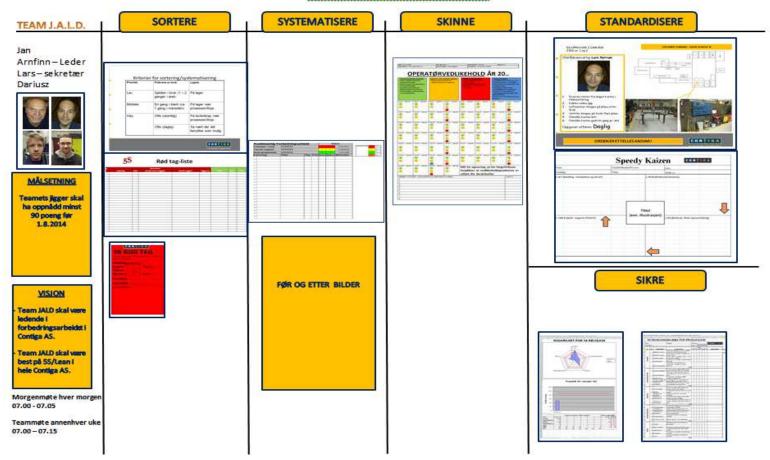


#### Sort – Stabilise – Shine – Standardise - Sustain

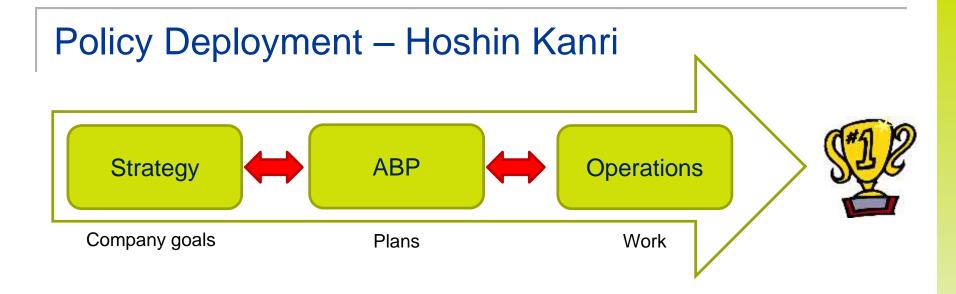


### 5S Display boards

5S TAVLE - TEAM J.A.L.D.







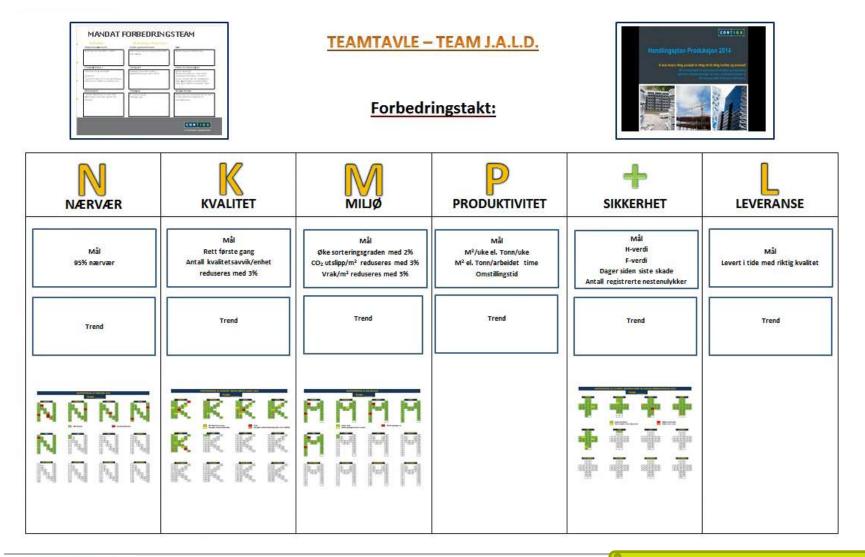
 Align company goals, (Strategy) with the plans of middle management (Tactics) and work performed by employees (Operations) to ensure that everyone is pulling in the same direction at the same time!

And measure!

The important insight here is that simply setting specific, measurable, challenging goals and then measuring progress is highly motivating!



### Policy Deployment – Display board



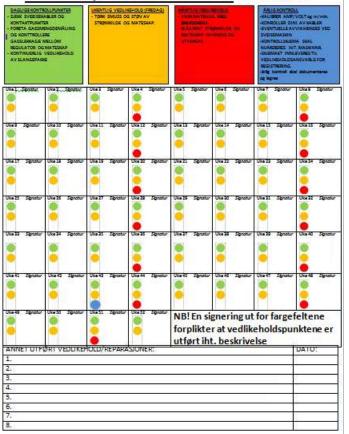


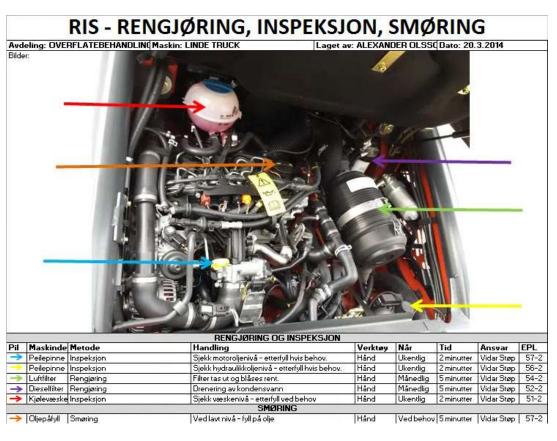
"You get what you measure"

### Preventive maintenance - Empowerment



#### OPERATØRVEDLIKEHOLD ÅR 2015







### Muda hunt – VSM



- Value Stream Mapping is a method for clearly showing in a diagram form, the material and information flow.
  - Make sure you have a cross functional team doing the analyses.
- Identify the wastes and prioritise the right actions to eliminate the waste.
- 8 wastes:
  - Overproduction
  - Waiting (time on hand)
  - Unnecessary transport or conveyance
  - Excess inventory

- Overprocessing or incorrect processing
- Unnecessary movement
- Defects
- Unused employee creativity



### Invest in equipment you belive can reduce your waste! - Hollowcore Plotters increasing quality!





## HMS – Hollowcore planning system – gives us the opportunity to plan production from truckloads.

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# Barcode scanners help us to do it right the first time



- Real-time information in our ERP system, IFS and HMS
- Eliminates punching errors
- Enables us to use stock locations in IFS and HMS
- You scan the element and the scanner will tell you witch truckload it belongs to and where the rest of the load is located.
- The load-list will indicate where the elements are located in the stockyard.
- The project manager of a building site can see the status of the load in the system.
  - Produced In stock Loaded Dispatched



### Conclusion

- Focus on eliminating the wastes in your Supply Chain
  - Implement Lean, invest in a planning tool, keep track of your elements, and communicate the installation progress
  - Look for wastes in the interface between departments with focus on continuous improvement
  - Focus on the value of precise information trust your colleague
- Don't underestimate the value of structure, and make sure you all pull in the same direction
  - Align Strategy, ABP & Operations
  - Regular meetings, Actionlogs, Preventive maintenance, Coaching
  - You get what you measure
- Empower your people- make them accountable
  - Listen to your organisation (Go to Gemba) and increase involvement



Make it easy to do it right and difficult to do it wrong!

### Thank you for your attention!

