

Being customer focussed

- Is your organisation focussed around its production operations?

- Could you be more customer focussed?

- Being organised around customers helps you meet their needs better.

All team leaders need to ensure that they make the best use of the resources available to their team. Resources means:

- ❖ the people in the team;
- ❖ the equipment, machinery, tools and vehicles that the team uses; and
- ❖ the materials, energy, fuel and other **consumable** items that the team uses.

(Consumables means the things that are used up when people work. This includes paper, steel, plastic, petrol and electricity. All these and other items can be used up by producing goods or services.)

Team leaders need to ensure that team members perform their tasks effectively. This means looking at ways of organising the work tasks to get the best out of people. In this session you will learn about one particular approach to organising work, called **cell** or **zone working**. In the process you will learn about some of the techniques which have mainly been developed in manufacturing industry. If you work in the service sector, don't stop reading. Many of these ideas could also be introduced to service industries as well - and some already are.

Using cells and zones

One important approach to team working and **empowerment** is cell or zone working. Empowerment means that the team have some control over their own work. A cell or zone is an area of a factory or office given over completely to the production of a particular type of product or service. Often these products or services are being supplied to one particular customer or group of customers. In some cases, the cell area is decorated in the customer company's colours and the teams wear uniforms with the customer's name or **logo** on them. (A logo is the symbol or way of writing its name that an organisation uses to be easily identified.)

Why are cells or zones so different? In most organisations the people who do similar types of jobs tend to be grouped together in the same place. A product or service moves through these different areas as it is produced. For example, a plastic container made for a company that produces household cleaning products goes through the following separate processes:

Case Study

Producing a plastic container:

❖ the conventional system

■ The raw material used to make the plastic tube and lid is delivered to the goods inwards and is stored in the warehouse.



■ Supplies are issued to the moulding area when they need it. The containers for this customer are made on one of the machines for three weeks and the screw caps are made in the fourth week.



■ Stocks of containers are held and go to the printing area. These are printed in alternate two weeks periods, between supplies to another customer.



■ Quality control takes samples of production at each stage to check they are to specification.



■ Printed containers go into the warehouse with the caps, and are sent to the customer when orders are ready.

A cell system unites all these processes in one area. It can involve changing machinery around or using different machinery, and means people must work together as one team.

Case Study

Producing a plastic container:

❖ the cell working system

■ Raw materials are stored in the cell and used as required.



■ The moulding machine is connected directly to the printing machine by a long conveyor belt which allows the plastic to cool before printing.



■ Printed containers are stored by the caps at the end of the process for shipment direct to the customer. A smaller moulding machine produces caps at the same rate.



■ The process is U-shaped so that deliveries and despatches are all done from one end of the cell.



■ The cell team are responsible for the whole process, from beginning to end. The team contains materials handlers, plastics machine operators and printers. They are responsible for routine maintenance of their own machines and for conducting their own quality control checks.

The first process is designed to ensure that each machine is used to full capacity. To achieve this, there are lots of delays built into the system. This means that stocks of work in progress are held in between stages, ready for the next. It also means that nobody is responsible for the whole process from beginning to end.

The second process, cell working, feeds raw materials in one end and finished product out the other. The stock is only raw material and finished goods, apart from those items actually being produced. The team is responsible for the whole process. However, machines may not be used to their full capacity. The process goes at the rate of its slowest stage. That makes the design of the production process really important, to get all the stages more or less working together.

Being customer focussed

The first process is organised around different parts of the production process. It is described as being **production focussed**. This means that the emphasis in the design of the production process is how it works best from the producer's point of view.

The second process, cell working, is organised around the finished product and is **customer focussed**. That means that the emphasis in designing the production process is what makes best sense for the customer. Because the process can be fitted directly into the customer's own production processes.

As products are made they can be sent to the customer to go directly into their production operations. This means that they may not hold more than a day's stock themselves, relying on their suppliers to feed them with what they need, as they need it.

This approach is called **just in time** (or **JIT**) production. It is increasingly used between organisations. The output from one organisation goes straight onto the production line of the next organisation in the production chain. This is done to cut down on the space and money used to hold stock of raw materials and components.

It also allows organisations to be very flexible, switching between products quickly and getting their suppliers to change what they are supplying to match what is required.

Exercise

Can you see any problems with using JIT in a production process?

There are potential problems for the customer and the supplier. A breakdown in production at the supplier's factory or poor quality supplies will stop the production at the customer's factory. And a customer which decides to change suppliers may find that problems get worse before the new supplier is able to start.

But equally, suppliers are dependent on customers. If the customer can't sell all the goods being produced, it will stop buying parts and materials from its suppliers straightaway. And many suppliers insist on being able to inspect or **audit** their suppliers. They will even ask for information about the suppliers' own suppliers so that they can be sure of quality and continuous production.

Despite these possible problems, many organisations find that they build up long term relationships with this sort of system. If the price, quality and deliveries are good enough, customers will stick with a supplier they know they can rely on.

Case Study

Errol is the team leader at the Hawson factory which makes the plastic containers. He is told that problems have occurred on the customer's production line with fitting the caps. The quality manager wants Errol and two of his team to go with him and find out what the problem is.

Errol is amazed when he sees his customers' factory. It is much bigger than Hawson's, and very automated. There are very few people working on the factory floor. The people who supervise the bottling operation show Errol and his team members the kind of problem they are experiencing. Together they work out how this can be resolved.

Errol takes some photos of the factory and the machines which fill the bottles his team make, and takes them back to show his team. In future they will have a better idea of how they can work more effectively to satisfy their customer.

Exercise

- ❖ Does your organisation use JIT? _____
- ❖ If so, how does it affect your team and the way that it works? If not, what sort of changes would it mean for you if it were introduced?

Understanding the supply chain

Look at the chair you are sitting on. The retailer which sold it bought it from a manufacturer. The manufacturer bought the components from other manufacturers. They bought materials from others, in turn, who bought their materials from others. This carries on back to the point where raw materials were taken out of the ground, like the oil used in plastics.

This series of organisations, all selling goods on to each other is known as the **supply chain**. The supply chain is the chain of suppliers back from a customer. Many of the big manufacturers now want to be able to be certain that all the organisations in the supply chain are capable of producing goods to the standard required.

They may do this by auditing their suppliers and by making certain rules about who their suppliers buy from. One of the most common requirements is that suppliers are **certificated to ISO 9000**. This means that they have been checked by independent inspectors and have been given a certificate to say that they have a quality assurance system which meets the ISO 9000 standard.

ISO 9000 (ISO stands for international standards organisation) is a worldwide standard. A quality assurance system is a way of ensuring that goods and services are produced to required standards. Organisations which meet this standard should be able to guarantee that their production processes can deliver to the required quality.

Case Study

Errol's employer is certificated to ISO 9000. One day an auditor, Alice, visits the company unexpectedly. She goes to the cell where Errol and his team work.

Alice: "Can you show me the records of rejects for the last week, please?" Errol shows her.

Alice: "The reject rate seems a bit high. What did you do?"

Errol: "I notified the quality manager. Here's a copy of the note. He and the production engineer came and checked it with us, and we made some adjustments. Here's the record of what we did." Errol shows her, in the file she's holding.

Alice: "Did the reject rate come down?"

Errol: "Yes, we're well inside the limit now. See, here's this weeks figures."

Alice: "Thanks Errol. That all seems fine. Everything has been done as required by your quality system"

What does it mean for services?

If your organisation supplies services you may well operate a sort of cell working and JIT. Your team may only serve a particular customer or group of customers, like a factory cell. What's more, many services are only useable by customers if they have them just in time (JIT). You can't make a connecting rail service if your first train is late. You can't buy a bottle of milk if the shop is out of stock when you need it. Many services are very **time-sensitive**. They can only be used at specific times.

For example, a hotel has 56 bedrooms. If it has 32 guests one night, it can't store the empty 24 bedrooms for another night and sell them in addition to the 56. Every empty bed is a lost sale that can never be recovered. It's a bit like a company making china that smashes any production that isn't sold the same day that it is produced!

Service organisations need to be just as customer focussed as manufacturers, and empower their teams. By focussing on the customer they create higher levels of customer satisfaction. And by empowering teams they gain flexibility and a commitment to meeting the customer's needs as closely as possible.

Comprehension Check

Complete the following exercises. Refer back to the session if necessary.

A. Fill in the blanks from the words below.

An organisation divided up around the different parts of the production process is said to be _____ focussed. An organisation divided up round products bought by particular customers or groups of customers is said to be _____ focussed. When an organisation has parts or components delivered at the moment it needs to use them, it is using a _____
_____ production system. The organisations which supply it are part of its _____ .

market	customer	supplier
production	supply chain	just in time

B. Why are many suppliers of services operating a sort of JIT system?

C. Complete the sentence. Circle the letter in front of the answer.

- Cell working is a way of organising a production process around:
 - products or customers.
 - production processes.
 - groups of workers with the same skills.
- ISO 9000 is a way of guaranteeing that:
 - an organisation's products are the best available.
 - the supply chain has a quality control system to the required standard.
 - an organisation has a quality assurance system which meets the required standard.

Making Connections

Answer the questions following the case.

When Errol goes back to his team with the information about the problems their customer is having with the caps for the containers, some team members blame the problem on the customer not having the machines set correctly. The caps sometimes have rough edges which stick in the feeder to the machine which fits them onto the containers.

They say that the small faults in the caps are always going to be there. The customer needs to find machines which are better able to handle them.

- ❖ If you were Errol, what would you say to the team to encourage them to accept responsibility for solving the problem?

Think and Apply

How well do you use the skills in this session? Think about cell working and being customer focussed.

- ❖ Is your team organised around a particular process, or around a customer or group of customers?
- ❖ If you are production focussed, is there anything you can do with your team to help them be more aware of the customers you supply and their needs?

1. Read the list of skills. Tick the boxes to show your strengths and weaknesses.

Skills	strengths <- - - > weaknesses			
	I'm good at this	I'm quite good at this	I'm not so good at this	I'm quite poor at this
■ working with people in the organisation involved in other parts of the production process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
■ ensuring that goods or services are available when customers need them	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
■ being customer focussed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. Do you want to improve any of these skills?

3. How do you plan to improve the skills you listed in question 2? (You might want to discuss this with your line manager or your tutor/mentor/coach.)