



Bath Ironworks, a General Dynamics' Company

Using the new 'level build program' to take production to a new level

Bath Iron Works (BIW) is a shipyard specializing in building warships for the United States Navy. The shipyard was purchased by General Dynamics in the mid-1990's. At the time of the engagement, there was a strained relationship between BIW and their primary union.

"The power of what Renoir did for us, was they built upon existing systems and practices taking them to a new level. They were very effective on the shop floor, working with supervisors to gain acceptance and compliance with a new way of managing."

Jeff Geiger
VP Manufacturing

ANALYSIS

Following a crippling strike, BIW was faced with cost issues and a continuing labor relationship problem. Given this situation, gaining the union's trust and support was problematic. As a consequence, management turned away from previously used consultants and selected Renoir to carry out an analysis to identify productivity opportunities. Prior to commencing the study, dialogue was established with the two key unions to explain the process and begin the buy-in process.

"It was refreshing to see Renoir's approach to working in a union shop. Local 6 was included from the onset and an active part of the entire process." Mike Keenan, President Local 6

Two key areas for improvement were identified during the analysis:

- Lack of a well defined shop floor control system to manage daily assigned work.
- Lack of discipline to follow a detailed plan. Renoir's proposal aimed to achieve a 20% productivity improvement in 'Pre-Outfit Manufacturing', a key area.

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FOCUS PROCESS™ & IMPLEMENTATION

As it was vital to the success of the project, a strong task force of two respected mid level managers and two union representatives were selected, to work with the Renoir team. The BIW task force provided the internal knowledge that was invaluable in establishing initial relationships on the shop floor to implement changes and ensured that the consulting process was viewed as a team effort. And, by including the Union, not only did the Team gain a better understanding of the root causes of issues, they also avoided unfounded rumors being circulated. As a result, the support gained from the unions and on the shop floor, were key ingredients to the success in achieving productivity improvements.

"BIW should have been doing this 20 years ago"

Union Mechanic referring to the new process to manage daily work.

By using business improvement teams and piloting changed processes and systems, Renoir fostered cooperation between management and the shop floor workers.

When asked by the company president why the changes made by this consulting project would be sustained, Roger Ruff, an area manager, stated:

"This is the first management process from a consulting project that was developed on the shop floor with our input."

World Leaders in Sustainable Change

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Key Results

\$1,300,000 in cost reduction

25% throughput improvement

New forecasting & planning model

Significant behavior change

“This is all about communication as far as I can see. Communication to me is everything. My lead man comes to me and we discuss how the day went. We need to make sure we are on the same page.”

Union Electrician

One of the most important elements of a Renoir Consulting project is focus. The Renoir consulting team was on the shop floor daily, interacting with BIW's union mechanics and shop floor management to follow up and ensure that the installed systems were understood and being used by all personnel. In addition to the daily interaction on the shop floor, Renoir maintained focus of the senior management team with a weekly steering committee meeting. The system Renoir developed and installed at BIW was not complex, but without the daily focus provided by Renoir, the discipline to use and sustain the system would not have been entrenched in the work force.

“He kind of likes it. He expects me to check his work now.”

First Line Supervisor referring to how a (formerly difficult) Union Mechanic had accepted the new process to manage daily work.

RESULTS

In addition to the significant ongoing cost savings achieved in terms of man hours, the system has improved communications between union mechanics and their supervisors. It has also improved communications between all levels of production management. At the completion of the project the BIW task force provided the nucleus of change agents to sustain the improvements achieved.

In addition to the productivity benefits derived, there were a number of additional benefits brought about by shop floor involvement and empowerment. One specific example of this was an improved portable lighting system for manufacturing, identified and developed by Jay Wadleigh, Local 6 union representative for the task force. The new lighting provided 3 to 4 times better lighting on units in manufacturing, using fewer lights and less electricity, and is easier to install and maintain, resulting in labor savings. The new lighting not only represents annual savings in excess of \$100,000 in electricity use and maintenance, but also improves morale, safety and first time quality.

The success, benefits and client satisfaction of the BIW project was confirmed by the awarding Renoir Consulting a 2nd phase to implement the processes and systems developed, in another area of manufacturing.

THE RENOIR GROUP

Renoir Consulting is a world leader in sustainable, implemented change. Founded in 1994, Renoir has offices located in North and South America, UK, Europe, Turkey, Middle East, Southern Africa, India, Pakistan, China, South East Asia and Australasia. With over 350 fully employed and highly trained consultants, their work across a wide range of industry sectors gives them a broader perspective of the issues facing your business, allowing them to be sensitive to your unique challenges, culture and specific business issues. This cross-pollination ensures truly effective, rapid and sustainable solutions.

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