

## SKF Bearings

Management control system for correct behaviour

SKF (Nilai) is a bearing manufacturer operating a seven-year-old facility on a 365 day basis. With a work force of 500 employees, the current turnover is equivalent to \$US 110million.

The factory had taken longer than forecast to achieve break-even, and had not achieved rated output. Unit costs were higher than plan and these shortfalls were affecting profitability and customer service. This was the most modern manufacturing facility in the group and corporate-wide systems were used. These had been reinforced with a plethora of management tools: ISO 9000 series, TQM, TPM, and Kaizen, to name a few. SPC was used for shop floor control together with real-time run-charting on most machines. The manufacturing process was supported by MRPII.

### ANALYSIS

The Managing Director had a clear vision which was shared by senior management but not effectively understood below this level. The extensive tools and training were not integrated, and personnel could not understand their relevance to the day-to-day tasks.

Product line efficiencies were low due to poor process control, unaccountable machine downtime, poor machine capability and shortages of materials.

Process understanding was particularly poor. The product processes were mostly out of control with upstream issues trying to be resolved downstream.

The project covered production, maintenance, engineering, and materials management.

### PROJECT

Along with an SKF Task Force, new management systems were designed and installed aligning the use of existing systems and maximize effectiveness. The focus of this alignment was core processes & business goals.

Shop floor supervisory controls were developed to provide an increased focus on controlling the process. This was reinforced with an intensive technical and behavioral training program.

Real-time capture of machine downtime was implemented by greater use of their existing technologies. Structured downtime analysis tools were then developed. This helped to reduce corrective action decision-making cycles for tooling, materials, maintenance, production and engineering functions.

Clear sets of performance indicators were defined and installed for each management level to provide for more action focused review meetings.

The maintenance organization was restructured to reduce response times and to produce durable, effective repairs.

All changes were embedded by one-to-one coaching, bringing about

### World Leaders in Sustainable Change

© Renoir Consulting Limited. This document remains the property of Renoir Consulting Limited and must not be copied or distributed in hardcopy or electronic form without the prior written approval of Renoir Consulting Limited.

“It is not just enough to develop systems and to train people. We needed to create practical alignment of activities and tools throughout the business. We needed a management system that creates the correct behavior change.”

**Alan Kruuka**  
Managing Director

#### Key Results

25% Reduction in consumables' cost

20% Reduction in scrap

5% Reduction in overtime

37% Increase in output

13% Reduction in manning

Project cost payback 60% through the Project

Significant behavioral change/growth

the necessary permanent behavior changes. This was taken deep into the shop floor, with Renoir Consultants spending a great deal of time ensuring that both Supervisors' and Managers' attitudes changed fundamentally.

## 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.

Visit Renoir at [www.renoirgroup.com](http://www.renoirgroup.com) for more information and a complete list of regional contacts or send us an e-mail at: [renoir.office@renoirgroup.com](mailto:renoir.office@renoirgroup.com)

## World Leaders in Sustainable Change

© Renoir Consulting Limited. This document remains the property of Renoir Consulting Limited and must not be copied or distributed in hardcopy or electronic form without the prior written approval of Renoir Consulting Limited.