

SKM Air Conditioning Equipment

Same staff, different behaviour



As a premier name in the Air conditioning industry, SKM is one of the leading manufacturers of custom made and standard High Volume Air Conditioning equipment in the Gulf region. Since its inception in 1974, SKM has serviced the construction and after markets in each Middle Eastern and North African country and as far afield as Bangladesh, the Philippines and Thailand.

SKM takes pride in the fact that their factory covers an area of 43,000 m², and is one of the largest air conditioned facilities of its kind in the entire Gulf region. The business is especially focused on tailor made customer requirements: designing, manufacturing and delivering to their customer with total customer satisfaction.

SKM is a privately owned business and takes its place as part of a wide portfolio of businesses and interests of the Kuwaiti based Al-Hasawri family.

“I have asked Renoir to work with us once again, not because of the results, which I take as a given, but because of the change of culture I have seen in just five weeks. This is a great opportunity to work with these guys for another phase. I've seen change and I want to see more!”.

Dr Ali Jaber
General Manager

Key Results

Savings over \$15m

95% data accuracy versus an
80% commitment

Complete technical and
operational Supply chain
assessment

Development of a
procurement Management
Control System

ANALYSIS

SKM have an experienced management that are technically proficient, but SKM wanted to explore methods to build upon their management skills by developing a Management System. They believed that this would enable them to maximise the value contribution from their complex supply chain on an on-going and sustainable basis. To this end they engaged Renoir Consulting to examine the opportunities within their Supply Chain function.

Renoir commenced an Analysis within our Procurement function in Sharjah, UAE. We began by pulling together data that evaluated, not only the effectiveness of their procurement activities but also considered the entire supply chain from both a tactical and operational standpoint. During this time, Renoir actively engaged the SKM management team in building awareness and understanding, especially relating to cross functional and key interdepartmental interfaces.

The detailed Analysis revealed:

- Opportunities in defining the overall procurement lead time and its supporting data
- Communication and material confirmation issues between the Factory and Procurement department
- The need for a Management System to drive increased procurement and supply chain performance

PROJECT

The Project was designed was in two phases, Renoir's Focus Process™ and Implementation. The Focus Process™ served to clearly define the current procurement function constraints and develop solutions to take the business forward. In addition, SKM asked Renoir to work with the procurement team to develop and review procurement data accuracy, especially relating to lead-times and safety stock levels.

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“SKM has achieved enormous results after hiring Renoir to support us in the correction of our procurement data and the implementation of the procurement processes.

Like everyone else, I was a little apprehensive in the beginning, but my department has been revolutionised. Every person within my procurement team was delighted with the way Renoir helped us implement the new systems. We are now achieving significant success.”

Hamed Al Ashhab
Procurement Manager

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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During the first phase of the project, results accrued which far exceeded Renoir’s original commitment and SKM’s own expectations:

- 95% data accuracy versus an 80% commitment
- Complete technical and operational Supply chain assessment
- Development of a procurement Management Control System

The Project consisted of a dedicated Renoir Project team along with an SKM Task Force, all of whom were allocated full time to the project. A Steering Group, chaired by the General Manager, and all heads of departments, reviewed progress each month and provided overall direction and support where required. A Management Action Team was also set up to identify opportunities for observed problems, evaluate these ideas for suitability and sustainability, and drive the installation of the approved ideas. Both the Taskforce and the MAT members received extensive training and continuous development throughout the project to prepare them to become key change agents for the organisation.

The results from the Focus Process™ were so impressive that SKM asked for support in implementing the solutions developed in the first phase.

RESULTS

Working with SKM’s management team, Renoir introduced a variety of management Tools such as; a KPI Hierarchy, Supplier Confirmation Planning, Supplier Review Plans, Whiteboards, and Daily / Weekly Monitoring Systems. “Renoir were especially proactive in training and coaching our procurement team, providing significant up skilling in management capabilities.”

The result of this project proved to be significant, adding measurable value to the overall SKM supply chain. Equally important, SKM now have systems and behaviours in place that will enable further contributions to the business moving forward. Dr Ali Jaber, General Manager said, “In terms of Management Development, the change in professionalism from my procurement management team is considerable, far outweighing expectations. Renoir went about achieving the aforementioned results in a very professional manner. What impressed us most was the manner in which Renoir viewed the agreed results as a bare minimum and the value we actually achieved is far in excess of initial expectations. Consequently, we engaged Renoir for a second phase of works and are currently in discussions with Renoir to engage them again in different areas of the business.”

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