



Nawaplastic

Using Scorecards to drive performance

Nawaplastic, manufacturer and distributor of PVC products began operations in 1970. The company is a division of Thai Plastic and Chemicals PCL., part of the internationally recognized Siam Cement Group (SCG). Nawaplastic (NPI) is comprised of three companies operating collaboratively to create synergy along three product categories: Pipes, Profiles and Pallet/OEM products.

“Working with Renoir has enabled us to unlock our potential to continually improve the way we operate.”

Claire Neville
Regional Operations Manager

Key Results

Reduction in non-budgeted Payroll costs; reduction in Operations Overtime of 15%

Reduction of incurred fines of 30%

Increased maintenance productivity by 32%

Improved and sustained Management Control System that drives performance and continuous improvement

PROJECT GENESIS

Nawaplastic is committed to developing its potential, keep in step with its customers' needs and become Thailand's leader in the PVC, vinyl and mould market. The operation has been consistently growing and strengthening, enabling the Company to expand its investment with its business counterparts in the Asean arena.

To sustain and improve on its current success, NPI Management determined that a shift in their organizational model was required. A new matrix structure would, in theory, leverage the technical expertise of the organisation while also maximizing the commercial focus. Following the re-organisation, however, the lines of accountability and the management of performance were not clear.

Renoir Consulting were engaged to review the re-organisation implementation, specifically to identify the changes required to the Management Systems, which would allow the organisation to achieve its full potential.

ANALYSIS

During a 2 week Analysis, it was found that:

- While the stakeholders had been informed about the changes, they were not effectively performing their new roles and covering their new responsibilities.
 - The main objective of the desired change was not well understood by management and the lower levels of the organization.
 - The business processes, Management Control Systems (MCS), Roles-Accountabilities-Consult-Inform model (RACI) and Key Performance Indicators (KPIs) were still the same as before the organisation change.
 - The key process steps that needed to be taken to ensure successful implementation of the new organisation had not all been completed.
- The gaps preventing full and effective implementation revolved mainly around identification of KPIs by position, redefining accountabilities, and mapping out the roll down structure and their physical usage.
 - Some of the KPIs required had not yet been (fully) developed.
 - There was misalignment of KPIs.

World Leaders in Sustainable Change

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“I have never once regretted the decision to engage Renoir to deliver these important changes to my business.”

Zane Fulljames
Chief Executive Officer

- Accountability of the KPIs was not understood.
- The KPI review process was not always systematic and effective.

PROJECT OBJECTIVE

The main objective of the program was to develop and install a fit for purpose measurement system, with the associated RACI and review mechanisms for the following departments and divisions:

- Pipe & Fitting; Profile and Pallet Business Units (Commercial; Production)
- Operations Division (Engineering & Maintenance; Quality Assurance; OPI)
- Support functions (HR; Supply Chain; Safety; Product Technology Development)

PROJECT APPROACH

The initial approach of the Project was to ensure the appropriateness and understanding of the current status of measurement mechanisms, control factors and reporting structure in the organisation. This required a firm understanding of the goals, objectives and vision of the business, which then highlighted the missing or misaligned elements.

DEVELOPMENT & IMPLEMENTATION

A combined Renoir-NPI Team then developed and identified new KPI's which in turn were mapped to each other in a KPI roldown tree to ensure complete and accurate alignment as well as ownership of responsibility and accountability across all levels of the organisation. In addition, a KPI scorecard was developed and signed off for every position. In all there were over a hundred scorecards developed, coached on usage, tested on inter-dependencies to ensure robustness, and implemented across the organisation. The scorecards were explained to each position holders in detail, to ensure thorough understanding of the new KPIs and their inter-dependencies (if any) from bottom to top.

The Team spent a lot of time with the supervisors of each department, within the scope, to ensure there was sufficient leadership drive for sustainable results. These department heads were also coached and supported in weekly reviews for each of their subordinates' scorecards to identify and take necessary action on variances.

PROJECT OUTCOMES

The result of the effort put forward during Implementation by Renoir and the NPI Management Action teams (MATs), led to better operational management, control and communication within the respective organization.

NPI has now successfully implemented their scorecards, from section head to MD level and the review meetings between each layer are routinely carried out. Job descriptions have been reviewed and RACI has been defined for the clear roles and responsibilities. The implemented elements have managed to help NPI teams monitor and control their work process and the new Management Control System has ensured that sustainability and continuous improvement are in place.

The Quality Management Team has set up an ongoing review process to maintain and improve alignment of the scorecard system, and period behavioural assessments will be carried out by location champions to ensure sustainability.

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