

Managing the business of making engines

Ceri Davies, Dean Lucas and Tim O'Hanlon explain how changing thinking from functions to processes needs a lot of planning.

PLANNING: Titles are important

The word *manager* is an important facet of a job title for many people. Suddenly describing oneself as a process owner rather than a manager may cause some anxiety because of a perceived loss of status. Managers are still managers. However, their role has evolved. At Hams Hall we have refined what management means. It is not just the management of people and the delivery of product but of the business as a whole through a series of interrelated business processes. Such are the issues, which must be considered when reorganising a business based on processes, rather than functions.

It is important to benchmark other organisations and industries as well as other similar factories within one's own company. This is where so many avoidable pitfalls can be identified. It is also important to work with consultants and trainers who do not present an "off the shelf" solution.

Process Management

At the £420 million factory at Hams Hall, with capacity to produce 400,000 BMW small engines, several layers of processes have been identified

- Strategic – Corporate processes which apply to all BMW plants
- Management – dealing with the way in which the business is managed e.g. leadership, communications, policy and strategy development and deployment at the plant level, people, partnerships, resources and processes.
- Core – The machining and assembly processes of the factory directly involved with supplying engines to our vehicle plants.
- Support – the essential disciplines within any business e.g. Personnel Administration, Finance Controlling
- Continual improvement – preventive and corrective processes as well as those that harness the ideas of the work force.

Once the layers of processes have been identified, it is necessary to create a meaningful process landscape. For Hams Hall, our initial process landscape is shown in Figure 1.

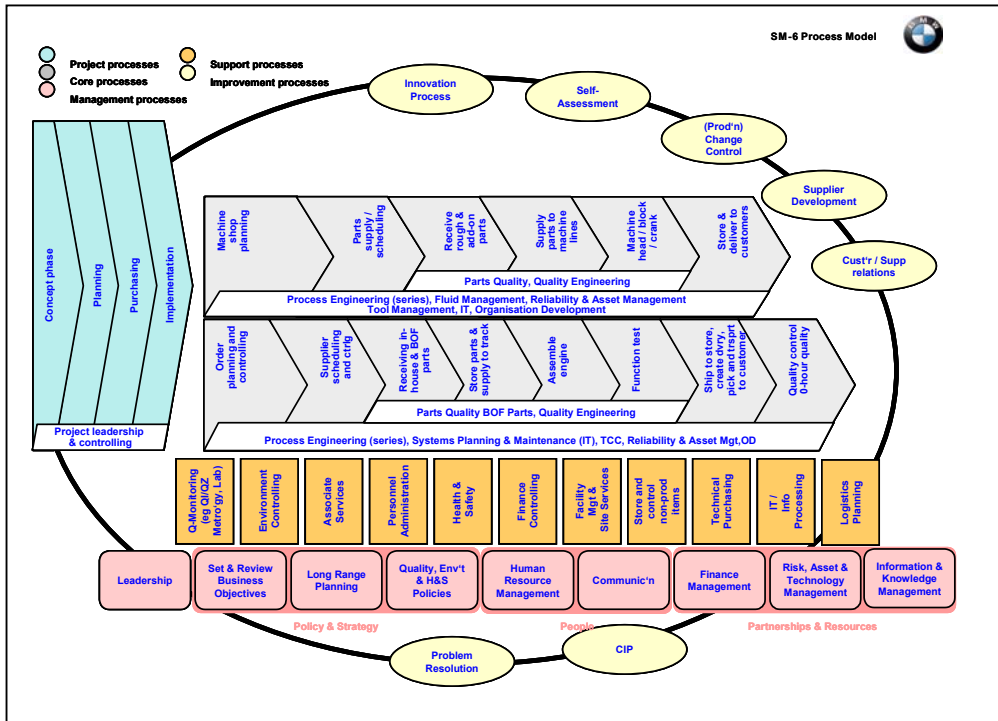


Fig. 1 Process Landscape

The next task is to define the responsibilities for each of the processes and overcome the obvious anxieties that those affected by the changes may have.

DOING: Responsibilities

When an organisation's associates are familiar with terminology such as P-D-S-A (Plan-Do-Study-Act) it is sensible to use this to build links with the valuable work that has gone before e.g. ISO 9001, Continuous Improvement, culture development and team building. At Hams Hall we built the responsibilities based on the tasks associated with Planning, Doing, Studying and Acting.

Education and Training

Education is to do with creating the mind set and this involves much canvassing and selling of the process. When the Plant Director takes personal ownership of the "Process management development programme", two things happen

1. There is visible evidence of commitment
2. There is a greater probability of success

Our in house design team were supported by Eurospan Developments Limited and created the Process Management Development Training House (Fig. 2).

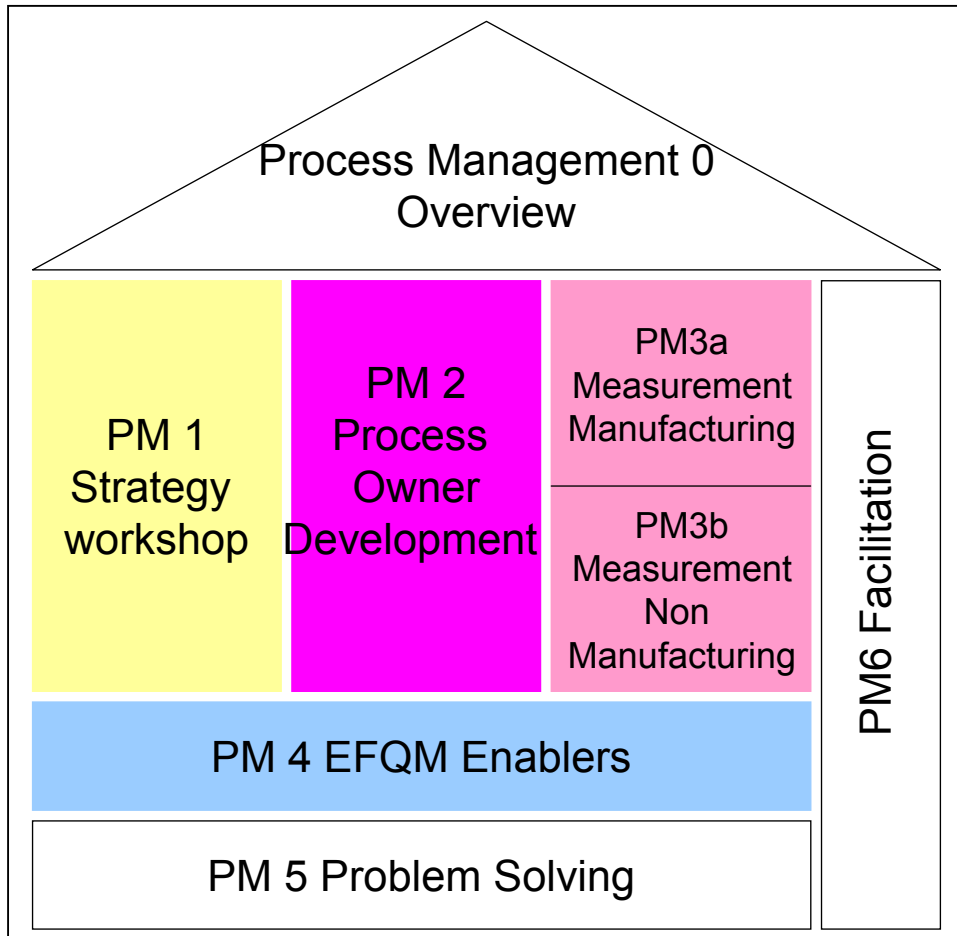


Fig. 2 Process Management Development Training House

This is not just about class room training, in fact such training forms a small part of the programme, the majority of the support is the form of coaching and mentoring.

Through this approach, we can communicate the overall methodology to everyone (PM0); provide one to one coaching and mentoring to Process Owners and Enabler Champions (PM2 and PM4). Create a link between our approaches and results through a structured cascade of policies and objectives (PM1). Ensure that the measurement of effectiveness, efficiency and flexibility are defined, measured, analysed and used to drive continuous improvement at operational levels (PM3a and PM3b) and that based on the P-D-S-A cycle, any problems identified can be systematically resolved using a structured problem solving process (PM5).

All effective process management approaches require sustainability after the consultancy intervention and we are training our own facilitators to maintain the programme in the future (PM6).

The secret is that it must make managing the business better than it was before.

When an organisation is already a world-class manufacturer, it can be difficult to persuade people that the company can do even better. When employees are entering a new £420 million factory it is difficult to see how one can improve things.

When people have a generation's experience in the car industry (400 of our associates had worked for the Rover Group previously)

It is difficult to present another idea that has not been seen before.

Introducing process management is not solely about making engines; it is about managing the business of making engines.

Process Management and Business Excellence.

There is little point having a process based approach to managing the business, if all other aspects of how the company is managed are not given a balanced consideration. If there is a leadership issue across all processes, who do process owners refer this to?

At Hams Hall we have appointed champions for each of the enabler criteria of the EFQM Excellence Model.

This is to ensure that we have defined approaches for leadership, policy and strategy, people, resources and partnerships and processes and that these are fully and consistently deployed across the business.

Figure 3 illustrates the overall approach to process management at Hams Hall and how it is integrated with the EFQM Excellence model and the deployment of corporate, divisional and factory goals.

In the top line (yellow framed) we see the cascade of measures into the processes of the business and where necessary these are formalised in Service Level Agreements.

Using Display Boards, the performance of business processes is communicated to and reviewed by all team members on a monthly basis. This is used to stimulate continual improvement and provide timely recognition.

The bottom line (blue framed) allows the enablers to be developed and deployed across the business in a similar manner, again being communicated using display boards.

Each of the lines (processes and enablers) must interface on a continuous basis to ensure full and sustainable integration. The extent to which this happens is evaluated through an annual self-assessment based on the EFQM Excellence model.

Improvement objectives for process owners and criterion champions are reviewed annually as part of the management performance appraisal process. The successful implementation of process management is an objective for all of our leaders.

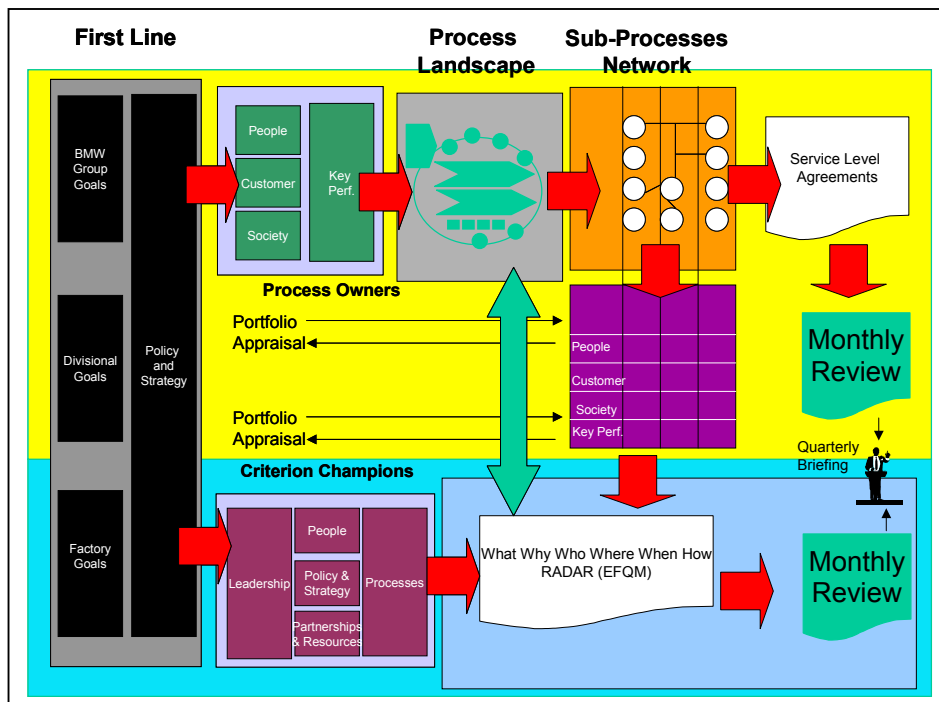


Fig. 3 The overall approach to process management

STUDYING: The need to measure.

Measurement is not an inconvenience associated with an end of month panic to update some charts. It is how professional people make decisions.

Creating data for the sake of some non value adding, end of term report is not part of process management. Using data to drive continual improvement is a fundamental part of process management.

When selecting measures at Hams Hall, process owners ask themselves the following questions

- Do we fully understand the critical success factors of the process in terms of ensuring that outputs will occur within agreed limits?
- Are responsibilities for capturing the data clearly defined?
- Is there an appropriate mechanism for undertaking these measures at agreed intervals?
- Are we presenting the data in a suitable format?
- Is there a formal review process involving the correct people?
- Does the review process clearly indicate responsibilities for corrective and preventive action?

Having the data analysed at the appropriate levels is particularly important. The people nearest the problem have access to the pertinent information and this facilitates a quicker and more sustainable solution to the problem for the benefit of the individual and the organisation.

Process Owners and sub process owners at Hams Hall appreciate the need for meaningful measures. Their role is not to make engines but to manage the business of making engines.

ACTING: The years ahead

Process management is not a destination; it is a continuous journey and we look forward to developing our approach in the years ahead.

We are confident that we have made a positive beginning which will be sustainable but we also recognise that as our business grows we will inevitably refine our approach based on measurement and learning activities.

Benchmarking

We will continue to benchmark within the organisation, the industry and best-in-class organizations.

We will use the self-assessment process and regional and national award processes to identify further areas for improvement.

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