Project number: 21989

Competition: Business Basics Fund: boosting SME productivity (proof of concept strand)

Funding body: Innovate UK

Local Productivity Club

Authors: Steve Palmer, WLP; Richard Garwell, WLP; Simon Youngs, College of West Anglia

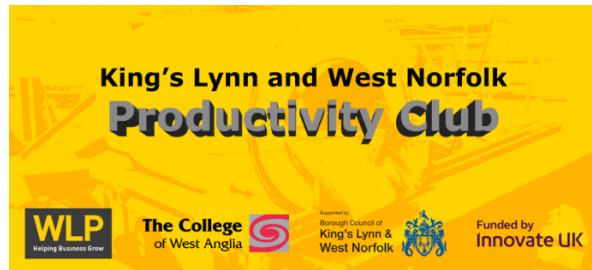Version Control: Final Version 3.1

FIGURE 1: THE LOGO WE USED

Executive Summary

As part of the first round of the Department for Business, Energy and Industrial Strategy's Business Basics Fund a partnership between WLP (Anglian Business Growth Consultants Ltd), the Borough Council of King's Lynn and West Norfolk and the local College of West Anglia won proof of concept funding for a Local Productivity Club.

The partnership has been seeking to work with SME manufacturers in the local area for many years through a local manufacturing group. In general SME manufacturers were poorly represented in this group. The club idea aimed to be more attractive to SMEs in as much as it was over a shorter, more intensive period, was free of charge and sought to encourage commitment and progress through action planning and peer pressure.

The club concept aimed to teach and encourage implementation of basic tools and techniques that have been proven to increase productivity to local SMEs using a club format with expert mentoring and coaching in between.

The club successfully operated starting with four businesses. This was half the number targeted. The reasons are covered in the report, but primarily resulted from not being able to contact more

businesses prior to the start. The partnership also believes, based on feedback, that the need for productivity improvement when your business is very busy or is successful is not understood.

Three businesses completed the club and have all committed to continuing their journeys to improve productivity. The fourth business had to withdraw due to family illness.

The feedback was very positive and the results of the survey and productivity assessment at the end of the club showed that overall understanding had increased, that companies felt they had progressed in terms of the benchmark survey, though productivity figures did not always demonstrate this. Given that the final productivity figures covered the period when the club was operating this is not that surprising, and a better monitoring period would have been the 3 months or 6 months following the club.

In terms of the original concept the scope of the project was not met. The club format did not demonstrate any impact of peer pressure as a motivator for companies to make progress. In addition, the short duration of the club and it being free of charge to members did not attract additional membership against previous approaches tested in the local area.

Having said that at least one new business will be talking to the college regarding apprentice and training opportunities. WLP will start to work commercially with two of the companies (both new clients) going forward to support them in their journeys. The borough council has also engaged with two of the companies concerning their growth plans and how the local authority can help them achieve these. None of these opportunities would have arisen without the club.

The partnership decided not to progress to a full-scale trial. The number of clubs required to make it an appropriate size for statistical significance meant that we would need to cover Norfolk, Suffolk and Cambridgeshire and would thus need to involve multiple authorities and colleges. The risk of not getting the backing required was felt to be too high.

WLP are keen to exploit the opportunity going forward on a matched funding basis. WLP will be talking to others to see whether this can be made to happen.

We do believe the club concept has merits and we now need to find the appropriate route to take it forward.

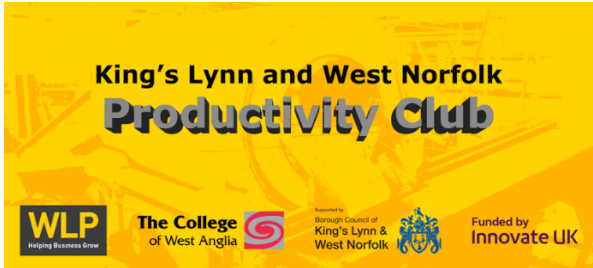The key lessons learnt are given in the conclusions and recommendations.

We thank the Department for Business, Energy and Industrial Strategy's Business Basics Fund and Innovate UK for this opportunity.

Conclusions and Recommendations

1. The need for productivity improvement as a priority element of manufacturing and service businesses and the benefits it brings does not appear to be well understood.
2. The productivity club is a sound concept that has proven its ability to influence and start the journey to improve productivity within manufacturing businesses.
   a. It was unable to demonstrate real productivity gains across the businesses involved within the timescale of the Proof of Concept.
   b. Benchmark self-assessments demonstrated a significant advance for each company involved.
3. The club was not able to demonstrate the same for service industries as none agreed to be part of the club.
4. Against the original scope the project the club was unable to demonstrate
   a. The short-focused timescale for the club together with it being free of charge was no more attractive to SMEs as the recruitment numbers were in line with other experiences.
   b. Peer pressure was not evidenced during the club programme.
5. The need for increased time, effort and focus to recruit companies was clearly established. It was also established that selling the benefits is a critical part of this recruitment process.
6. Measures of productivity, as defined in this report, are not straightforward to implement. Each business works differently, holds different data, and in many cases the data required is not easily identifiable and / or has not been measured within the company. Having said that where the importance is understood changes were made to enable the data to be produced.
7. The project management within this consortium worked well, though more could have been done up front to establish key accountabilities for each member.
8. The Department for Business, Energy and Industrial Strategy's [Business Basics Fund](#) and Innovate UK create great opportunities for businesses, education and others to work together on innovative ideas. The processes worked well for the consortium in this project.

The partnership has decided not to progress any further with this proof of concept, though WLP will seek opportunities to work with other partners to seek match funding for use in a wider context.

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Background

Anglia Business Growth Consultants Ltd (WLP) and the Borough Council of King's Lynn and West Norfolk have been working with local manufacturing SMEs since 2004 to encourage the use of manufacturing and process best practice including best practice management techniques, Lean and Six Sigma. Meetings have been held 3 or 4 times annually covering a range of topics associated with productivity improvement and manufacturing best practice. The format has varied including factory visits, facilitated discussions, guest speakers and direct training. The format has never involved direct consultant support. Whilst larger businesses have found it easier to attend under this informal structure, smaller businesses, and ironically those which are most likely to benefit, struggle to start attending or maintain any consistent attendance because of work pressures. Attendance has therefore been highly variable and over recent years the numbers have fallen.

This proof of concept project was designed to offer those smaller businesses wishing to participate a more time limited, structured approach which would be both challenging and supportive in order to help stay the course and gain the benefits.

Productivity in manufacturing and service industries is a critical competitive issue for the locality and the country at large. It was believed that a short injection of training combined with mentoring and coaching support to businesses, together with peer pressure from those involved, could overcome some of the obstacles in that:

1. The involvement is only for a short time
2. The training and support are provided free of charge
3. Over a 12-week period there will be sufficient productivity and other benefits seen that the time and effort involved will have more than paid back
4. A consultant is allocated to the organisation to support the implementation.
5. The innovation in this approach was to get companies to deliver productivity improvement using cross business learning and peer pressure. The peer pressure would hold individual organisations to account on their productivity performance and the actions they have committed to.

We have learnt over the years that achieving real benefits in an organization requires both senior management or owner drive combined with shop floor input and buy-in. By requiring representation from different levels in the organization this buy-in becomes more rapid.

We have also learnt that what gets monitored gets done. Support was provided from WLP and the local college around the training and mentoring.

This was a proof of concept and at the outset is was believed it could progress to a full-scale trial.

Objectives of Proof of Concept

As defined in the application the objective was to demonstrate that forming a structured club of small low productivity companies all from the same local area together with support can deliver significant productivity gains within a 4-month period.

The key objectives stated were:

1. To develop a method to identify, invite and encourage relevant organisations to join a productivity club
2. Through regular club meetings with support in-between and representation from different organisational levels create effective learning, motivation, peer pressure and sharing of experiences across business boundaries enable the application of tried and tested management techniques within these organisations.
3. Through this structured and motivational approach to demonstrate significant productivity gains within a 3-4 month window from the start of the club

The main area of focus was manufacturing and service organisations within the Borough of Kings Lynn and West Norfolk (population 147,500), typical of many rural small town environments.

The innovative approach proposed was to get companies to deliver productivity improvement using cross business learning and peer pressure to encourage individual organisations to support each other, deliver on their agreed actions and share their experiences. Also, by requiring representation from different levels in the organisation buy in becomes more rapid.

A logic map has been prepared (Appendix 1) that aims to illustrate this and the inputs that will be used to assess success against the objectives.

Approach used

The Proof of Concept was split into three phases:

1. Recruitment of Companies
2. Running the Club
3. Review and Conclusions

Recruitment of Companies

The original plan was to have a two-pronged approach:

Firstly, between the local council, the local college and WLP all appropriate companies that we had contact and a relationship with were approached using email. This was followed up about a week later with a second email, and where appropriate a telephone call, to ascertain interest.

With this approach we contacted 123 companies. Out of these 123 only 9 companies showed interest.

Secondly, as time allowed between the Business Basics Fund press announcement and the closing date for applications, we engaged with a number of local newspaper companies to publicise the club. In addition, the plan was to use networking events to also publicise the club.

The embargo on open publicity was not lifted until 29th January after numerous postponements. Unfortunately, with the embargo being in place at the start of the project it had a real knock on effect on our ability to advertise the project in local papers and at networking events. This may have adversely impacted the number of SMEs recruited.

For example, we only had time to present the club opportunity and benefits at one local Chamber of Commerce breakfast networking event on 1st February. This did result in an additional company approaching with interest in joining the club.

Each company that showed interest was visited twice. On the first visit normally two consultants attended in order to maximise the understanding of the company. The first visit ran through more details about the club, discussed the productivity measure baseline that we needed, and introduced the benchmarking model. We also presented an engagement letter that established the expectations for both sides, the GDPR statement and also a page for the company to sign off on to state their agreement to being part of the club. A copy of the letter can be found in Appendix B. A tour of the factory / operation was also requested and was always provided.

On the second visit usually, the allocated consultant attended individually. This meeting focused on the results from the benchmarking audit and the productivity calculation.

Running the Club

Club sessions were arranged for 08:00 – 10:00 at the local college (College of West Anglia, Tennyson Avenue, Kings Lynn, Norfolk) once a fortnight for 7 sessions starting on the 6th of March. It was decided that the 4th session would be longer and involve a practical exercise that demonstrates the techniques introduced in the previous 3 sessions. Wednesday was chosen for the meetings as it was felt this gave the best compromise for businesses during the week.

The club format was generally set as:

08:00 Meet and greet
08:15 Review and feedback from previous session
09:00 New input and action planning
10:00 Finish

It was agreed to hold the club at the local college (College of West Anglia) as they had appropriate facilities and were very centrally located for any organisations that joined the club. The early start was established so companies attended the club before going to their sites, hence minimising the risk of non-attendance due to work issues on the day.

 The club sessions were set as:

Session 1 – managing change

Session 2 – changing behaviour through measurement and feedback

Session 3 – Lean basics, covering reduction of process waste, improving process flow and workplace organisation

Session 4 – a productivity improvement game that brings sessions 1-3 together

Session 5 – problem solving

Session 6 – improvement planning

Session 7 – review

The aim here was to provide a series of short, useful inputs that could be taken away by each of the companies and with consultant support, be implemented either covering the whole organisation or in a pilot area within the space of two weeks.

The experience gained by the companies as they considered the techniques and started to implement would be the essential first element of the club meetings. It would also provide feedback on the training, whether it was set at the right level and whether it could be improved. The principle benefit was to the club members as they learn from each other.

Review and Conclusions

A full review session was included to ensure all learning was captured. This comprised of four elements:

1. Each participating company was asked to develop their own plan of action to take the learning from the club and exploit it within their businesses.
2. Each participating company was asked to complete a survey based on their experience. The survey was compiled on SurveyMonkey and the results are not associated with any individual company.
3. Companies that had shown interest but had not joined were asked to complete a similar survey.
4. There was a face to face review at the final club session.

The analysis of these and the presentation of conclusions can be found later in the report.

Involvement

123 (one hundred and twenty three) local companies were contacted.

The approach varied depending on who had the contact. For the borough council the contact was made via email two weeks prior to Christmas, with a follow up email immediately after the new year. No calls were made as the council do not want to be seen as pushing too hard on individual companies. Where others had contacts with these companies follow up calls were made. Where no interest was shown no further probing as to why was done.

For WLP and CWA initial emails were sent, followed by a second email and follow up call. Again, where no interest was shown no further probing as to why was done.

One company did approach the organisers after WLP were able to advertise the club at the local Chamber of Commerce networking event.

Overall the response rate from potential companies was low, but in line with normal experiences when contacting businesses.

MAS (manufacturing advisory service which now no longer exists) used telesales, a website and social media, ran acquisition events and relied on the extensive networks of the advisors, to publicise the support available to companies across the region when it was operating. Its experience was that for every 100 companies contacted advisors would get to visit 7 and would get engagement with 3 (estimated).

Of the companies approached the following showed enough interest to request further information which was supplied as an FAQ (Appendix 3):

TABLE 1: COMPANIES THAT SHOWED INITIAL INTEREST

Company	Business Type	Signed-up?	Reasons Stated
Company C	Agricultural equipment manufacturer	Yes	Opportunistic – sales increasing, plus realisation need to improve productivity to cope
Company D	B2B machinery manufacturer	Yes	Opportunistic – reached limit of capability in terms of improvement
Company O	Metal distributor and fabricator	Yes	Opportunistic – came at the right time with new investment and a need to improve.
Company T	Timber frame manufacturer	Yes	Opportunistic – coming under constraints for space as turnover increases

Company	Business Type	Signed-up?	Reasons Stated
Countryside based venue company	Wedding Venue	No	Just setting up. Initially genuinely interested and believed it would help them ensure they are effective in what they do. Following second discussion it was clear that they could not commit the time nor would they gain the benefits from being in the club. Requested information if run club again.
King's Lynn based security company	Local security services to businesses and households	No	Timing and length of club meetings. Would prefer evenings or weekends, or a lesser commitment. Requested information if run club again.
Local manufacturer and service provider of water treatment solutions	Project based manufacturing and customer service	No	Love the concept, just does not fit with what they need at present. Requested information if run club again.
Provider of medical hygiene equipment and services	Project based manufacturing and customer service	No	Unable to make the commitment of people at the current time.
B2B food manufacturing equipment	Capital equipment manufacturing	No	Competitive concerns about some other members of the club, currently does not fit in with strategic focus. Requested information if run club again.

It would appear that of the businesses that were genuinely interested and did join the club the most important factor was timing.

For those businesses that initially showed interest and then declined there were a range of reasons given – strategic fit, commitment of resources, competitive concerns or timing. Most of these companies did ask to be contacted again should another club be established.

The lack of time to publicly recruit companies meant that the sample size was small and therefore the findings are not conclusive. The common theme associated with those who joined the club was that they did so because it came at the right time.

In hindsight and with more non-embargoed time to publicise the partnership should have focused on a campaign to raise awareness of the programme, what productivity is and the benefits that

improving it brings to any SME. Use of case studies should also have been considered. This may have raised more interest both in those who were directly contacted and who did not respond, and those who came across the club through any publicity.

This also suggests that to successfully recruit more companies a larger catchment area would be appropriate, and / or there needs to be a more focused effort in the recruitment phase based more on an understanding of productivity and the benefits to the companies of being involved.

Characteristics of the Recruited Companies

Company C

Company C are designers and manufacturers of agricultural machinery, predominantly cultivation equipment. The business was formed in the 1950s and is now under the stewardship of the 3rd generation of the family. Turnover is around £2m, which is delivered by 30 full-time employees.

All manufacturing operations are carried out in-house, except for some consumable parts, which are bought in. The ambition of the senior management is to maintain the business as it is. There are no plans to grow the company significantly or diversify from its core product lines. However, the business has recently emerged from a 2-year period of being under pressure, with a downturn in demand. The order book is quite strong now, but there is a keen interest in mitigating the risk of potential future difficulties with improvements in its productivity. It wants to be able to do more, with its current levels of resource. During the early stages of their participation in the Club programme, the MD stated that this was an ideal time for them to be involved.

Its primary SIC code is 28302 — Manufacture Of Agricultural And Forestry Machinery (Other Than Agricultural Tractors)

Company D

Company D are an engineering company which started life as a reactive servicing business, looking after the equipment maintenance needs of local farmers. More latterly, they have diversified into designing and manufacturing their own farming-related machinery. A further diversification has been to design and manufacture machinery for the equine industry. Sales in this area have gone very well and growth is anticipated. The business is owned and run by a father and son team, supported by seven full-time employees.

Despite having no background in manufacturing whatsoever, both the father and son have carried out research on manufacturing best practice and had already implemented some processes that will benefit them in terms of good productivity levels. However, they recognise that they have gone as far as they can on their own and as such, are very enthusiastically participating in the Club's activities.

Their primary SIC code is 33190 — Repair Of Other Equipment.

Company O

Company O is a 2nd generation family owned business which was started in the 1990s has grown steadily to a £10-15m turnover business with its own 32,000 sq ft warehouse facility. The son has

recently taken over the running of the business from his father. There are two parts of the business: a metal distribution business to the many engineering firms in the area covering stainless, aluminium and steel sheet, tube and rod, and a metal forming business that cuts and bends components to customer requirements using modern laser cutting and brake press bending equipment. Each side of the business represents about 50% of the turnover. Its vision is to continue to grow, doubling in a 3 to 5 year period whilst improving its processes and productivity in order to manage within space and local recruitment constraints.

It employs around 50 people, mostly local, many of whom have been with the business a long time. The number of employees is growing steadily.

As the business has grown organically many of their processes have grown likewise. The management team acknowledge that improvements can be made and felt this programme came along at the right time to help.

Their primary SIC code is 25500 (forging, pressing, stamping and roll forming of metal). Secondary SIC codes are 2852 – general mechanical engineering, 2875 manufacture of other fabricated metal products and 5152 wholesale of metals and metal ores.

Company T

Company T was established in the early 2000s. It grew slowly initially but in recent years has grown more rapidly, outgrowing its current manufacturing facility.

The company manufactures and distributes Timber Frames for buildings. It occupies 3 industrial units and employs around 15 people permanently. It is looking to move into new premises over the next 3 years.   A walk around the site demonstrated the need for additional space together with opportunities to improve productivity.

The local productivity club came along at an opportunistic time as a new operations manager had only been in place for 2 weeks.

The primary SIC code is 41202 - Construction of Domestic Buildings.

Initial productivity and audit results

Planned approach

Each company was asked to complete a benchmarking survey ([Appendix 5](#)). There are four sections covering governance, quality, engagement (of employees) and process. In each section there are 10 areas and for each area 4 statements. Each person joining the club was expected to complete the sheet before the meetings started. The person goes through each area and selects one of the statements that most closely reflects how they see things at their company. A score of 85% in each category would set the company to be heading close towards "best in class"

All results are held separately.

Once the club is over everyone is asked to complete the survey from scratch again and then submit their results.

The changes are reported in the "Final Productivity and Audit Results" section.

Increases can be caused by actions taken as part of the club or as a result of better understanding of the areas covered by the survey. A reduction in the result could well be due to increased understanding rather than the company not improving.

Productivity in simple terms is $\frac{\text{Gross Margin (or added value) from the process(es)}}{\text{number of direct hours required to deliver this}}$

Gross Margin = income – cost of goods – direct labour*

Income is normally defined as turnover but will be applied in this case as value of goods produced or service delivered.

Cost of goods includes cost of raw materials, utilities, and labour that is directly associated with creating the product or service

*The labour should also include those who process information, orders, despatch paperwork, invoices and are directly associated with the delivery of the product or service.

Normal overheads including management, sales and marketing, product development, service and maintenance is excluded.

Where companies did not have good records then employees will be categorised as direct or non-direct and the payroll record used to assess the hours.

A baseline covering the 3-month period 1st October 2018 – 31st December 2018 was used to assess productivity prior to the club starting. This was compared with the period 1st March – 31st May 2019 which is the period the club was operational. Ideally it would have been better to look at the 3-month period following the completion of the club.

Practical Application and Feedback

Our initial approach was aimed at making the measurement straight forward for companies.

We found that companies could establish results at the company level using the traditional methods of measuring Gross Margin (sales – cost of goods (which includes direct manufacturing labour and utilities)) and the allocation of Direct manufacturing Hours. Stretching these norms to include some of the other activities associated with orders such as design and order processing could not be done except through an allocation exercise.

In discussion with the companies that decided to focus the club on one part of the business the records were generally not in place to allow an assessment of productivity for this one area. Therefore, the assessment was made on the company as a whole. The downside of this is that any changes in productivity for the pilot area would be difficult to identify from these financial figures.

This highlighted that the application of these measures, particularly in smaller companies where the expertise to do so is not in place, is not as easy as anticipated. Having said that the companies were all able to generate figures, and some made changes to their record keeping supporting this.

Session 2 of the club focused on using measurement combined with daily (or at least weekly) stand up meetings to review performance with those operating the process. This approach cannot look at gross margin as the sales line is often not aligned to what is being produced. Therefore, the session looked at the measurable areas that directly affected the value generated (items made, length of material cut, machine cutting time, progress made against an order or plan…) and the time taken (man hours used, time allocated to machine operation, …).

During this session we talked about a measure called OEE or overall equipment effectiveness that looks at the overall effectiveness of a critical piece of equipment (usually one that is at the bottleneck within a process). OEE looks at effectiveness (or productivity) in terms of equipment availability, speed of operation compared to a machine that is fully serviced, and the quality of what is produced. Although this measure was not taken up some key aspects of it were. For instance, at Company O they implemented the availability aspect to measure how much their critical machines were running during normal working hours. This captures downtime due to changeovers, tool changes, breakdowns or maintenance, and other minor stoppages. It also focused people's behaviours on the fact that these machines need to run in order to generate income.

At Company T a system to capture OEE data and review it was provided for future use.

We also covered the need to keep focused on customer service as an internal improvement can often take staff eyes off the customer, the people who keep the business alive. On Time In Full (OTIF) is a measure widely used to keep an eye on the company's performance by measuring customer experience in terms of where goods and services delivered on time, in full, to the quality expected. It measures the % of orders that get delivered when first promised without complaint or adverse comment. This was also introduced at this session and taken up by Company O during the club period.

Club format, experience and key learnings

Club Format

The club format was designed to allow a mixture of networking between the companies involved, feedback and sharing of experiences from implementing change or using the techniques taught. The basic structure was:

08:00 – meet and greet over a cup of coffee

08:15 – review session based on previous week's input. This was both a test of understanding, feedback on how the training had been used, benefits seen, and issues experienced.

09:00 – new training input with training materials supplied. This session was done in a relaxed, interactive approach.

Before the session ended an action plan was established for review next time and dates were put in the diary for the allocated consultant to visit.

This structure worked well, evidenced by a reluctance for people to leave when the club session was over.

Attendance

Attendance was generally good, though all but one business missed at least one session due to immediate business pressures. The attendance record is as follows where red is not present when expected to be and green is present when expected:

TABLE 2: ATTENDANCE AT THE CLUB MEETINGS

Local Productivity Club - Attendance Register

Company	Position	06/03/2019	20/03/2019	03/04/2019	17/04/2019	01/05/2019	15/05/2019	29/05/2019
BCKLWN	Business Development Officer	🟢	🔴	🟢	🟢	🟢	🟢	🟢
Company C	MD	🟢	🟢	🔴	🔴	🔴	🔴	🔴
Company C	Production Lead	🟢	🟢	🟢	🔴	🔴	🔴	🔴
CWA	Consultant	🟢	🔴	🟢	🟢	🟢	🟢	🟢
CWA	Coordinator	🟢	🟢					🟢
Company D	Director	🟢	🟢	🔴	🟢	🟢	🟢	🟢
Company D	Director	🟢	🟢	🟢	🟢	🟢	🟢	🟢
Company D	Office Manager				🟢			
Company D	Technician				🟢			
Company D	Technician				🟢			
Company O	Director	🟢	🟢	🔴	🟢	🔴	🟢	🔴
Company O	Laser tube cutting mgr	🟢	🟢	🔴	🟢	🟢	🟢	🔴
Company T	Operations Manager	🔴	🟢	🟢	🟢	🔴	🟢	🟢
Company T	Supervisor	🔴	🔴					
Company T	Transport Supervisor	🔴	🔴	🟢	🟢	🔴	🟢	🟢
WLP	Consultant	🟢	🟢	🟢	🟢	🟢	🟢	🟢
WLP	Consultant	🟢	🟢	🟢	🟢	🟢	🟢	🟢

Note 1: Company C ceased attending the club from the 17th April. The allocated consultant was unable to make contact. Subsequently we were told the owner was dealing with serious illnesses

within their family which meant the club could not be a priority. The MD believed "there was value in what we were doing".

Note 2: Company D substituted a person when one of the key people was not able to attend. They also brought along 2 additional people when we ran the "Plug Game" in order to help with the buy in back at their business.

This demonstrates the full diversity of commitment to the programme, which represents the general response experienced when working with industry in the SME sector.

It also demonstrates that even an early start does not take the immediate work pressure of today away.

End of Meeting Feedback

At the end of each session a simple feedback form was provided to those attending. Immediate feedback was given. The results of this feedback can be found in Appendix 4.

Overall the feedback was good, with specific comments helping the delivery team to refine the input as the club progressed.

Application of Training by Companies

Following each week's input the companies were asked to take the technique or tool and apply it to their company. This lists the activities undertaken by each company during project.

TABLE 3: ACTIVITIES UNDERTAKEN ON THE BACK OF CLUB TRAINING

Techniques Introduced	Company C	Company D	Company O	Company T
Creating the vision / need to change and communication to staff		The owner's vision for the company was established before the Club was formed. The MD has briefed all employees about the Club. A presentation was delivered on-site to all employees to help the MD share the lessons learned during the Club meetings.	Worked with MD to articulate his vision. This was then communicated to the regular Friday management meeting. The process enabled the MD to draw together disparate thoughts and focus them in a way that others could understand.	The Operations Manager, having just started at TFM, was still getting to know the business, so only articulated the need to increasing the main saw's uptime / operational efficiency and the need to adopt and embed a 5S standard.
Using measurement and KPIs to change behaviours	Rollers – looking to measure assembly times by stage.	Treadmills – looking to time the 7 stages. Established KPI dashboard covering safety, quality, cost and delivery by the existing staff work board	The agreed focus was to establish availability on their critical laser cutting equipment. This work was started but the measure was not established during the lifetime of the project.	Established availability on their critical wood saw. This also led to a better understanding of how to use their own bench days measure.

Techniques Introduced	Company C	Company D	Company O	Company T
			Latterly Company O decided to add OTIF (on time in full) to their measure. A spreadsheet template was provided, and implementation has started.	
Lean Productivity – Process and Value Stream Mapping	Did not progress at all from this point forward due to two concurrent family illnesses. A hazard when working with family owned SMEs.	Process mapping is being used significantly for one particular area of work. The actual method being used is one that they have developed themselves using the knowledge taken from the Club session on the topic.	An exercise looking at the process map from enquiry through to design nesting was completed, highlighting opportunities to refine this process. From here the process understanding was shared and actions agreed.	The operations manager & the transport manager mapped the production process using post it notes, and then invited all employees to add detail & refine it. This enhanced understanding across the business and provided thoughts on improvement.
Plug Game – consolidation of learning from the previous sessions		This session enhanced understanding rather than adding any new actions. As their final consultants' session Company D used the Plug Game to engage with their whole organisation.		
Problem Solving		Company D have tried the basic techniques learned during	Company O decided that problem solving needs to be	The operations manager used the problem solving as a refresher and

Techniques Introduced	Company C	Company D	Company O	Company T
		the session, on one occasion. They recognise the value robust problem solving brings and plan to use the appropriate methods in the future, possibly with further support.	trained out to a wider audience, starting with the senior team. This was done at the final consultant session.	has not used it within the factory.
Embedding Change and Forward Planning		Following this session Company D have agreed the following plan: Develop the measure of productivity. The time to produce an equine treadmill has been established and future builds will be assessed against this. Develop the morning meetings to be slicker and to ensure there is more openness in sharing bad as well as good news.	Following this session Company O have agreed the following plan: Continue to share the vision with managers and staff. Implement OTIF (on time in full) measure to focus the organisation on service. Productivity and machine availability measures will be implemented later. Complete problem solving and basic lean	Following this session Company T have agreed the following plan: Continue to communicate the need to change, the approach that is being taken and timings as they evolve; Use the process map to improve operations around the main saw. Introduce 5S (workplace organisation) to the main saw and then expand it through the factory to reduce

Techniques Introduced	Company C	Company D	Company O	Company T
		Implement a new business system to support the running of the business. Complete 5S in unit 51 as a trial to get everyone involved. Implement non-compliance reporting to capture issues that arise during manufacture. Implement a team reward based on improvements achieved.	training for key staff. Complete a Value Stream Map and "best practice" plan for the new Laser tube cutter facility opening in October 2019. Once best practice has been demonstrated in the Laser tube cutting area then roll out to the warehouse and sheet cutting facility.	wasted time and materials.

Each company has individual plans and the overall improvement they achieve will be in a big part about how much time and energy they dedicate to following them through.

Looking across the businesses the concepts that were most readily adopted were around formulating a vision or direction of travel and then communicating this to the business, and the use of process mapping. Communicating the vision proved relatively easy to those people that directly reported to the owner or MD but proved more daunting to the rest of the organisation. In the authors' experience this is fairly common. Where the owner / MD was supported by a member of the shop floor the communication proved more effective.

Process mapping is something that is easy to pick up and very effective in getting discussion and communication going in a positive direction. All businesses used this and found positive improvement ideas and buy in within their businesses.

Businesses found it less easy to grasp the concepts around measuring and providing feedback to influence behaviours. The concept is simple as everyone is used to using their speedometer in the

car to regulate their driving behaviour. The difficulty people had was in seeing how this applied at work. Where the measure was kept simple it appeared to be most effective.

The teaching of problem-solving skills opened businesses eyes to the fact that they spend too much time firefighting. Embedding good problem solving skills within a company takes time and energy as in the short term it takes longer to solve problems than putting a sticking plaster on the issue.

Although out of scope of the Proof of Concept WLP may well choose to approach the companies for an update on progress at the end of 2019 and to ask them to provide data to see whether any sustained improvements have been made. There is no agreement in place for the companies involved to do this.

End of Club Review

Participants Survey

At the end of the club sessions a Survey Monkey survey was issued to those attending. Three of the four companies participating took part. The objective of the survey was for the companies to start thinking about why they had joined the club, what they had received and also for them to reflect on what might have worked better.

The survey used can be found here: https://www.surveymonkey.co.uk/r/VR72PMQ

The results were as follows:

Participants Survey		
Question		1
Question and Answers		**Count**
Why were you interested in the productivity club in the first place (choose the statement that most closely fits):		
I know I need to improve productivity and I need an incentive to do so		1
Improving productivity is essential for my business		1
Improving productivity might be of interest, I need to find out more		1
Grand Total		**3**

Question 1 was about why the company had been interested in the first place. Each of the participants has a level of interest that demonstrated an understanding of need but with varying levels of motivation to do something about it.

Participants Survey		
Question	2	
Question and Answers		**Count**
⊟ What aspects of the productivity club originally attracted you (tick all that apply)?		
The club was free of charge		3
Meeting and networking with other businesses		3
Getting a measure and benchmark for my business' productivity		3
Regular club meetings		2
The involvement of both decision makers and ground floor / shop floor staff		1
Central venue for club meetings		1
The training topics covered		1
Relevant training given		1
Mentoring between club meetings		1
Grand Total		**16**

Question 2 looked at what within the club attracted them to join. The three top answers were to get a measure and benchmark for the business, meet and network with other businesses, and that it was free.

This last element is countered at the end when some businesses stated that they would be willing to pay in the future.

Question 3 looked at what worked well for the businesses.

Participants Survey		
Question	3	
Question and Answers		**Count**
⊟ What worked well for you (tick based on a range of responses from worked really well to did not work at all)?		
⊟ Central venue for club meetings		
Worked perfectly for us		3
⊟ The involvement of decision makers and ground floor / shop floor staff		
Worked perfectly for us		1
Worked well most of the time		2
⊟ The club was free of charge		
Worked perfectly for us		3
⊟ Having a regular fortnightly club commitment		
Worked perfectly for us		1
Worked well most of the time		2
⊟ The training was appropriate and relevant		
Worked perfectly for us		2
Worked well most of the time		1
⊟ Meeting and networking with other businesses / Peer support		
Worked perfectly for us		1
Worked well most of the time		2
⊟ Mentoring by experienced consultants between club meetings		
Worked perfectly for us		1
Worked well most of the time		2
Grand Total		**21**

At the top of the list was a central venue and that it was free of charge.

Participants Survey	
Question	4 ⧩

Question and Answers ▾	Count
⊟ **Please rate the relevance and usefulness of the techniques covered?**	
⊟ **Communicating and creating change**	
Highly relevant and useful	3
⊟ **Planning to improve**	
Highly relevant and useful	3
⊟ **Mapping processes to identify waste and opportunities to improve**	
Highly relevant and useful	1
Relevant and of some use	2
⊟ **Problem Solving**	
Highly relevant and useful	2
Relevant and of some use	1
⊟ **Understanding the value stream and how flows through your processes**	
Highly relevant and useful	1
Relevant and of some use	2
⊟ **Having measures in place and using them to support change**	
Relevant and of some use	3
Grand Total	**18**

Next was that the training was relevant and appropriate.

Then the following came in: mentoring by experienced consultants, regular fortnightly club commitments, meeting and networking with other businesses, and finally involvement of ground floor / shop floor staff as well as management.

Missing from this list was Peer Support, one of the initial partnership arguments for the club succeeding. It would indicate, based on this small sample, that peer support or peer pressure is not a driver that encourages business to take action, certainly not within the timescale of the club.

Question 4 sought feedback on the usefulness and relevance of the techniques taught.

Of most relevance was the first session on change management and the need to communicate, and then the last session which dealt with the need to embed change to ensure it sticks. Problem solving came next, followed by the process mapping and understanding of the value stream. The use of measures was bottom of the list but still deemed "relevant and of some use". WLP's experience is that for many using measurement to drive change is a difficult concept to grasp and therefore implement, but when done successfully is very effective.

Question 5 asked for any other topics which should have been included. The response was none, though it was stated that companies were generally new to this area and therefore did not feel able to answer the question.

Question 6 sought to understand whether there might have been different arrangements around the club.

There was a strong feeling that the mentoring was an essential element, that the fortnightly meeting frequency worked well albeit one company would have preferred monthly. The early start mid-week session also worked well. Of note is that two out of the three businesses stated a willingness to pay provided the cost was reasonable / justified. None of the businesses stated they would not be willing to pay.

End of Club Review

The final club meeting involved the feedback of plans and a face to face review. The results of this review added the following:

Recruitment:

The email flyer was simple yet attracted attention.

The lead time to make decisions was very short. To attract more businesses a longer lead time would be required, and more effort would be needed.

There was one comment regarding providing more up-front information on what was going to be taught through the club, though experience suggests that most managers will only read items that stand out and are short, sharp and to the point. The flyer used can be found in Appendix 2. Maybe a case study could have been provided to encourage more interest.

There was a very pertinent question raised: "Is the Productivity Problem understood?" The response from companies suggested that the UK productivity problem is not understood, or that the need to improve to stay competitive / to grow your business / to create more flexibility is either not understood or it not seen as a priority. This is clearly of concern as it conflicts with government

Participants Survey	
Question	6 ▾
Question and Answers	▾ **Count**
⊟ **If we were to run the club again what would have worked better for you (If anything - tick all that apply)?**	
Availability of mentoring between meetings	3
Meeting day - Wed	2
Frequency of meetings? Fortnightly	2
I WOULD be prepared to pay to attend provided the cost was reasonable and justified	2
Meeting Time - 08:00 - 10:00	1
Frequency of meetings? Monthly	1
Meeting day - Thursday	1
Meeting day - Tues	1
Grand Total	**13**

concerns with the UK's competitiveness alongside other nations.

The ideal number of businesses was felt to be 5-6, just a couple more than was achieved.

Club Arrangements:

Key comments were that the venue worked very well. Overall people would have travelled a bit further if necessary.

The opportunity to involve others from the companies was seen as good.

The issue of a competitor being in the room was raised. Although not an issue this time, it was felt that this would not have put any company off, but it may have reduced their willingness to be open about what they were doing.

FIGURE 2: TEAM WORKING DURING THE PLUG GAME

The Consultants:

All businesses felt that they needed the support provided, either as motivation to move things forward or to provide reinforcement to members of staff.

One company felt more help would have been useful. The other companies felt the input was appropriate.

The mix of consultants and their background was felt to be a real positive.

Improvements:

The training being delivered by different people was seen as beneficial.

The session lengths and input were felt to be appropriate.

The one improvement suggested was to start with the "plug game" as this was a great motivator and then run the first 3 sessions hanging off the key elements of the plug game.

One area of discussion was around the time between sessions. Two weeks was felt to be a good compromise, though with the businesses being so busy making time for applying the teaching was challenging. Countering this discussion were comments such as "where there is a will there is a way" and also previous experience that suggests making time for such activities, providing it is reasonable such as half a day, does not impact the business as people become motivated and more productive for being involved.

One company also felt that there should have been more push from the club to encourage businesses to at least trial implement the tools taught. That said they understood the balance between forced action which gets rushed and risks failing and paced action that gets the required time and produces benefits.

FIGURE 3: USING PLUGS TO ILLUSTRATE OPTIONS TO IMPROVE PRODUCTIVITY

So, what next?

The businesses involved want to stay in touch with their consultants.

At least one of the businesses will be working with the College of West Anglia around apprentices.

West Norfolk had a manufacturing excellence club which has not met for nearly 2 years. Discussion around this did not come to a conclusion.

The club concept was felt to be good. To be attractive to businesses going forward it would need to be match funded. The total cost per business going forward with the training in place would be £3,000 - 3,600 plus VAT. Matched funding would reduce this to £1,500 - 1,800 plus VAT which was felt to be viable.

Final productivity and audit results

Following completion of the club sessions each business was asked to revisit its productivity measure and also to redo the benchmark audit. The overall average increase in scores was 158%.

Company C did not complete the course so did not complete the final benchmark and productivity measure. It can be assumed that there was no impact from the club due to their lack of attendance.

The combined results are as follows:
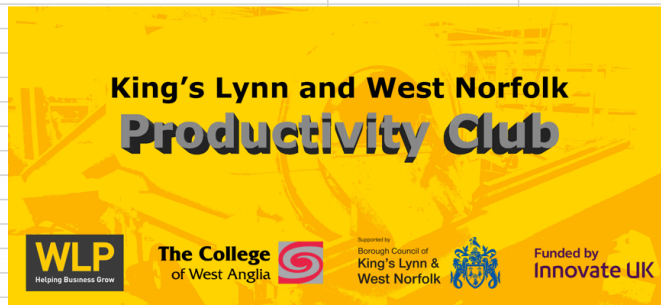
Productivity Benchmark Data Analysis

Productivity Measure % Improvement from Q4 2018 to March, April, May 2019	Company D	Company O	Company T
% Improvement in Productivity based on Gross Margin	17%	-15%	-31%
% Improvement in Productivity based on Turnover	-22%	-6%	6%
% Improvement in Benchmark Scores			
Governanace	11%	94%	90%
Quality	43%	11%	107%
Engagement	48%	22%	86%
Process	119%	25%	37%
Overall	**55%**	**38%**	**80%**

The benchmark survey used in found in Appendix 5. The method used for determining productivity is defined in Appendix 6.

Company D

Company D were the most committed company within the club. From the outset they worked to take on board the ideas and to implement them, at least within pilot areas.

Their benchmark scores have all increased, in particular around Quality, Engagement (of staff) and Process. These are a direct result of the company's involvement in the club.

Their overall productivity as measured by Gross Margin / Direct Hour worked increased 17% whilst the productivity based on turnover reduced 22%. Due to their business being capital equipment manufacture and sales their sales are lumpy and this is the reason for the reduction seen in the second measure.

Company O

Company O joined the club at the same time as they were running a significant expansion project within the company and when the MD was taking over the reins from his father.   Both of these factors impacted the level of commitment to the club and also the productivity figures.

On both counts productivity fell during the period of the club operation, primarily due to the management focus being on the expansion.

The changes planned as a result of the club will positively impact the business going forward.

The benchmark results increased across the board, particularly around governance – a direct result of the club and the early work done by the business. This demonstrates that directionally the company is heading towards achieving productivity improvement.

Company T

Company T's rationale for attending the club was to act as a refresher for the new Operations Manager. The pace of change during the club was not as fast as the organisers would have liked. Some changes were made, particularly around workplace organisation and processes which did improve workflow.

The reduction in the productivity figure was driven by a significant increase in cost of goods. Turnover increased 8% in the 3 months to end May 2019 whilst working hours only increased 2% giving a net increase in turnover productivity of 6%. Due to the level of purchases during the period and goods not going out due to the weather the actual productivity gross margin per man hour reduced by 31%.

The change in the benchmark scores was as a result of changes made but also based on a better understanding of the questions being asked.

Evaluation of benefits (analytical and qualitative)

Analytical

There is clear evidence from the measures and the benchmark scores that improvements have been made in the understanding and application of the tools and techniques covered and, to some extent in actual productivity.

Due to the short-term nature of the proof of concept the final measuring period coincided with the running of the club and therefore it is very limited in terms of seeing the impact of changes made. With ongoing focus by the companies, the impact would be more effectively measured by looking at the periods June – August and September to November 2019. In addition, the small sample size makes any results indicative rather than statistically sound.

WLP may well choose to ask for a further assessment at the end of 2019, though the companies involved are not obliged to provide this information as it is outside the scope of the proof of concept.

Overall there is enough encouragement to suggest the concept works and could be used at a larger scale.

Qualitative

Those who organised the Productivity Club felt that many businesses missed a great opportunity for some great value training, networking and peer support. Those who participated fully felt the exercise was well worthwhile.

The three businesses who participated fully all implemented changes as a result of being part of the club, which they would not have done otherwise. All three businesses have a much better understanding of basic management tools and techniques that can be used to change behaviours and focus on productivity. They have also committed to pushing forward with implementing some of these to improve their productivity.

Two of the businesses will continue to have support from their consultants. One of the businesses will be working with the college looking at the opportunities for apprentices. The other two will be looking at opportunities in the future.

This is a real success that encourages WLP to consider doing something similar in the future, provided we can get some financial and operational support so we can match fund it.

Considerations for a Full-Scale Trial and the Future of the Concept

Feedback from Interested Companies

All companies that showed an initial interest in the Productivity Club but decided not to join were asked to complete a short 3-minute survey similar to the one completed by the attending companies. Out of five businesses invited to take part in the survey only two took the time to respond. The information received was as follows:

Both businesses were originally interested because they believe improving productivity is essential to their businesses.

The aspects of the club which attracted the businesses were:

- Meeting with and networking with other businesses (2)
- Relevant training given (1)
- Getting a measure and benchmark for my business' productivity (1)
- The training topics covered (1)

What factors caused you not to follow through?

- The time commitment was too rigid (1)
- The time commitment was too great (1)
- We could not prioritise the club within the other business priorities we had (1)
- We could not commit the people required (1)
- Other (wanted the club to be out of hours) (1)

What would have made you stay committed?

1. Out of hours meetings
2. Flexibility on attendees

If we were to run the club again what would work for you (tick all that apply)?

- Frequency of meetings – fortnightly (1)
- Meeting days – Tues (1), Wed (1), Thurs (1); weekend (1)
- Meeting times – 08:00 – 10:00 (0); 16:00 – 18:00 (2); 19:00 – 21:00 (2)
- I would be prepared to pay to attend provided the cost was reasonable and justified (0)
- I would not be prepared to pay to attend – this should be provided for free (2)

Due to the small sample size and response rate the results are not statistically significant, but it is interesting that the direction of the answers for what would work for these businesses is very different compared with those that attended.

The survey can be found here: https://www.surveymonkey.com/r/WNLGJDL

A direct comparison with the feedback from those involved proved interesting:

Relevant question	Feedback from Businesses that chose to join the Productivity Club	Feedback from Interested Businesses who chose not to join the Productivity Club
Aspects which attracted the businesses in first place	Regular club meetings (2) Meeting with and networking with other businesses (1) Relevant training given (1) Club was free of charge (3) Mentoring between club meetings (1) Getting a measure and benchmark for my business' productivity (3) The involvement of both decision makers and ground floor staff (1) The training topics covered (1) Central venue for club meetings (1)	Meeting with and networking with other businesses (2) Relevant training given (1) Getting a measure and benchmark for my business' productivity (1) The training topics covered (1)
Factors affecting decision to join / not to join	Having a regular fortnightly club commitment (2.0) The training was appropriate and relevant (2.5) Meeting and networking with other businesses / Peer support (2.0) The club was free of charge (3.0) Central Venue for club meetings (3.0) Mentoring by experienced consultants between club meetings (2.0) The involvement of decision makers and ground floor / shop floor staff (2.0)	The time commitment was too rigid (1) The time commitment was too great (1) We could not prioritise the club within the other business priorities we had (1) We could not commit the people required (1) Other (wanted the club to be out of hours) (1)

Relevant question	Feedback from Businesses that chose to join the Productivity Club	Feedback from Interested Businesses who chose not to join the Productivity Club
Future club parameters	Frequency of meetings – fortnightly (2) monthly (1)	Frequency of meetings – fortnightly (1)
	Meeting days – Tues (0), Wed (2), Thurs (1); weekend (0)	Meeting days – Tues (1), Wed (1), Thurs (1); weekend (1)
	Meeting times – 08:00 – 10:00 (3); 16:00 – 18:00 (0); 19:00 – 21:00 (0)	Meeting times – 08:00 – 10:00 (0); 16:00 – 18:00 (2); 19:00 – 21:00 (2)
	Availability of mentoring between meetings (3)	
	I would be prepared to pay to attend provided the cost was reasonable and justified (2)	I would be prepared to pay to attend provided the cost was reasonable and justified (0)
	I would not be prepared to pay to attend – this should be provided for free (0)	I would not be prepared to pay to attend – this should be provided for free (2)

The contrast between the two groups is significant in a number of areas. Those attending were very happy that it was free of charge but when the club was finished 67% stated they would be prepared to pay. Those choosing not to attend state they would not be prepared to pay.

The level of commitment was generally seen as a positive by those who attended but a negative by those who chose not to attend.

This reinforces the need to take companies on a buy-in journey as part of any recruitment in order to move people from a balance in favour of too much / too rigid a commitment vs the benefits of attendance over towards the latter.

Feedback from the partners

A review with all partners in the project was held immediately following the review with the club members. The outcome of the conversation was as follows:

- More time and focus were required during the recruitment phase
- A more collective approach with the use of case studies and other benefits highlighting was also needed
- The partnership worked well
- All parties received benefits from the club
- The low attendance, alongside the need to charge attendees, and the presence of other groups locally who would need to become stakeholders limited the appeal to push ahead with a full-scale trial.

Review of the Logic Map

The Logic Map looks at the project from a set of inputs through to outcomes in the short, medium and long term. The map produced for the project can be found in Appendix 1. Comments are only made on each of the sections if appropriate.

Most of the comments are observational and qualitative rather than quantitative. Where quantitative data exists, it cannot be deemed statistically robust as the number of data points is small.

Inputs

These were all applied.

Activity

Recruitment needed more effort and the ability to be public about the opportunity would also have helped. Having said that compared with other recruitment the take up was similar to that experienced by MAS.

All activities were undertaken. There was a time lag with some of the consultancy input as companies found it difficult to allocate the time between sessions on each occasion. Also, when companies missed a club meeting, they needed to catch up with the input.

Output

Of 123 businesses approached 9 applied and 4 took up the offer.

The reasons for applying have been stated in "End of Club Review".

Numbers attending the meetings can be found in "Attendance"

The job positions of the majority who attended were senior management / management. Company T and Company C both had shop floor representation. Company T brought along additional shop floor staff for session 4.

Consultants were allocated to businesses as follows:

Steve Palmer – Company O

Simon Youngs – Company T

Richard Garwell – Company C and Company D

Overall each company was visited at least once between sessions, except for Company C when they stopped attending and could not be contacted. Additional visits were made at the end of the project to support the businesses in catching up on the application of techniques.

Company feedback was captured in "End of Club Review"

The application of the techniques by the companies was variable. When applied initial benefits were seen. For example, process mapping "identified opportunities not previously seen"[1]. It was clear that in the development of the club concept we had been too ambitious on the level of commitment and allocation of time the recruited companies would be prepared to give between club sessions.

Immediate Outcomes

The principle drivers for businesses taking part or being seriously interested were[2]:

Relevant training
Meeting and networking with other businesses
Getting a measure and benchmark for productivity

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[1] MD, Company O.
[2] See "End of Club Review" and "Feedback from interested companies"

A SWOT analysis of the approach taken looks like this:

Strengths	Opportunities
Relevant and logical training approach. Central meeting venue. Businesses were able to develop relationships with other businesses. Mentoring encouraged businesses to take action whereas they may not have otherwise. Real change plus a commitment to continue witnessed in all the businesses that lasted the course. Four businesses developed an understanding of what productivity is and why it is important.	To run the club commercially or at least part funded. To expand the geographical area where businesses can apply from. To use the format to reach out commercially to SMEs.
Weaknesses	Threats
Peer pressure did not come into play (there was no obvious competitiveness between the companies when it came to improving productivity). The approach only attracted businesses for whom the timing was opportunistic. I.e. businesses did not change their priorities to fit the club in. The recruitment process needed more time.	Productivity not seen as a priority by businesses. The value of productivity improvement not understood by businesses. The ups and downs of day to day business just gets in the way. Other initiatives or opportunities.

Anecdotally the businesses that made most progress were the ones most committed. A simple barometer of this was the level of attendance. Company T were the most committed and attended continuously.

Ownership of the tools and techniques appeared to be strong, in as much as each business now has the knowledge and a plan for implementation. The techniques appear simple. The devil is always in the detail. An ongoing relationship with the consultants will encourage and help traction.

There was no evidence that peer pressure was a factor within the club. The end of club survey did not highlight this as a lever, nor was there any evidence from the conversations had with the individual businesses.

All three companies that completed the club have plans in place and appear committed to maintaining momentum to improve productivity.

Intermediate Outcomes and Ultimate Impact

The timescales associated with this proof of concept do not allow an evaluation of true intermediate and ultimate impacts due to the 6-month overall limit.

The immediate outcomes suggest the Productivity Club approach has merits, but further trials would be required to assess longer terms impacts.

Work done elsewhere and reported suggests that working with manufacturing organisations in a proactive way, as the Manufacturing Advisory Service did, increases productivity[3].

Experience based on paid for interventions by WLP with committed businesses using the approach and techniques taught through the club suggests productivity benefits of between 10-25% can be delivered within a 6-9 month timescale from a standing start.

Limitations of the Proof of Concept

The proof of concept had many limitations. The most impactful ones can be summarised as:

1. Limited timescale to recruit companies
2. The fortnightly schedule of meetings meant that the degree of implementation of each technique was limited.
3. The 6 month overall project timescale meant that any benefits were only just beginning to surface at the end of the project. There was no time allowed to follow through with a 3 month or 6 month follow up review.

Full Scale Trial Thoughts

In considering a full-scale trial the following factors would need to be taken into account:

1. In order for any trial to be statistically significant there would need to be an estimated minimum of 12 locations with an average of 6 businesses in each club.
2. Within more rural communities this number would stretch across county boundaries and would need to involved local authorities and multiple colleges; for example
    a. Locations – 3 counties: Norfolk, Suffolk and Cambridgeshire
        i. West Norfolk
        ii. Breckland (Norfolk)
        iii. South Norfolk
        iv. Broadland
        v. Great Yarmouth
        vi. Waveney (Suffolk)
        vii. Suffolk Coastal (Suffolk)
        viii. St Edmondsbury (Suffolk)
        ix. Forest Heath (Suffolk)
        x. Babergh (Suffolk)
        xi. Fenland (Cambridgeshire)
        xii. East Cambridgeshire

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[3] The Business Desk.com reference to MAS in the North West.

      b. Colleges –
         i. College of West Anglia
         ii. City College (Norwich)
         iii. West Suffolk College
         iv. East Coast College

3. The duration of the study would need to be longer, probably around 18 months:
    a. A minimum of 4-6 months in the recruitment phase
    b. Delivery over 3 months
    c. Follow through for at least 3 months afterwards
    d. Review of productivity in the 3 months leading up to the club and for the 3 months following the completion of any work with the companies.
4. The areas of interest to explore best options against a control are:
    a. Inclusion / exclusion of mentoring
    b. Impact in service companies vs manufacturing companies
    c. Early start time vs late start time
    d. Type of company most suited to this approach
    e. Free of charge vs paid for club
    f. A longer interval between meetings
5. Factors that would need to be managed so they were consistent across the board
    a. Delivery of club and training materials
    b. Capability and approach of mentors
    c. Management of issues

The current partnership would have to link up with others in order to deliver this due to the scale involved. Of significance would be the New Anglia LEP and / or the Cambridgeshire and Peterborough Combined Authority who would want to get involved. This will create additional complexities and hence costs to manage the various agendas and expectations.

Future Research

As is often the case with research many more questions arise than are answered. The proof of concept demonstrated many of the behaviours we have seen our normal day to day work. If this concept was run again there are a number of areas that would be interesting to explore. These include:

- The effectiveness of a longer, more open publicity campaign, highlighting the benefits of involvement, targeted at all companies within the area which we believe would benefit from the club.
- Understanding whether a paid for (even if just a contribution to costs) club creates an increased drive within the companies to implement the tools and techniques.
- Understand how much benefit an allocated consultant / mentor has on the success companies have of implementing the management techniques.
- Understand if a monthly schedule of meetings would result in better implementations of the tools and techniques.

The Course of Action the Partnership has Decided to Follow

Following the final review the partnership met again and decided not to progress with another club, primarily due to cost reductions taking place at the college and potential redundancies together with increased complexities in the funding landscape.

WLP decided that, with the right partners, it would be prepared to be involved in a full scale trial. It will also approach others with the idea of seeking matched funding to run a club or clubs potentially in 2020 which would draw from a larger area (West Norfolk and its immediate neighbouring boroughs) and would apply the learning from this exercise to improve the format.
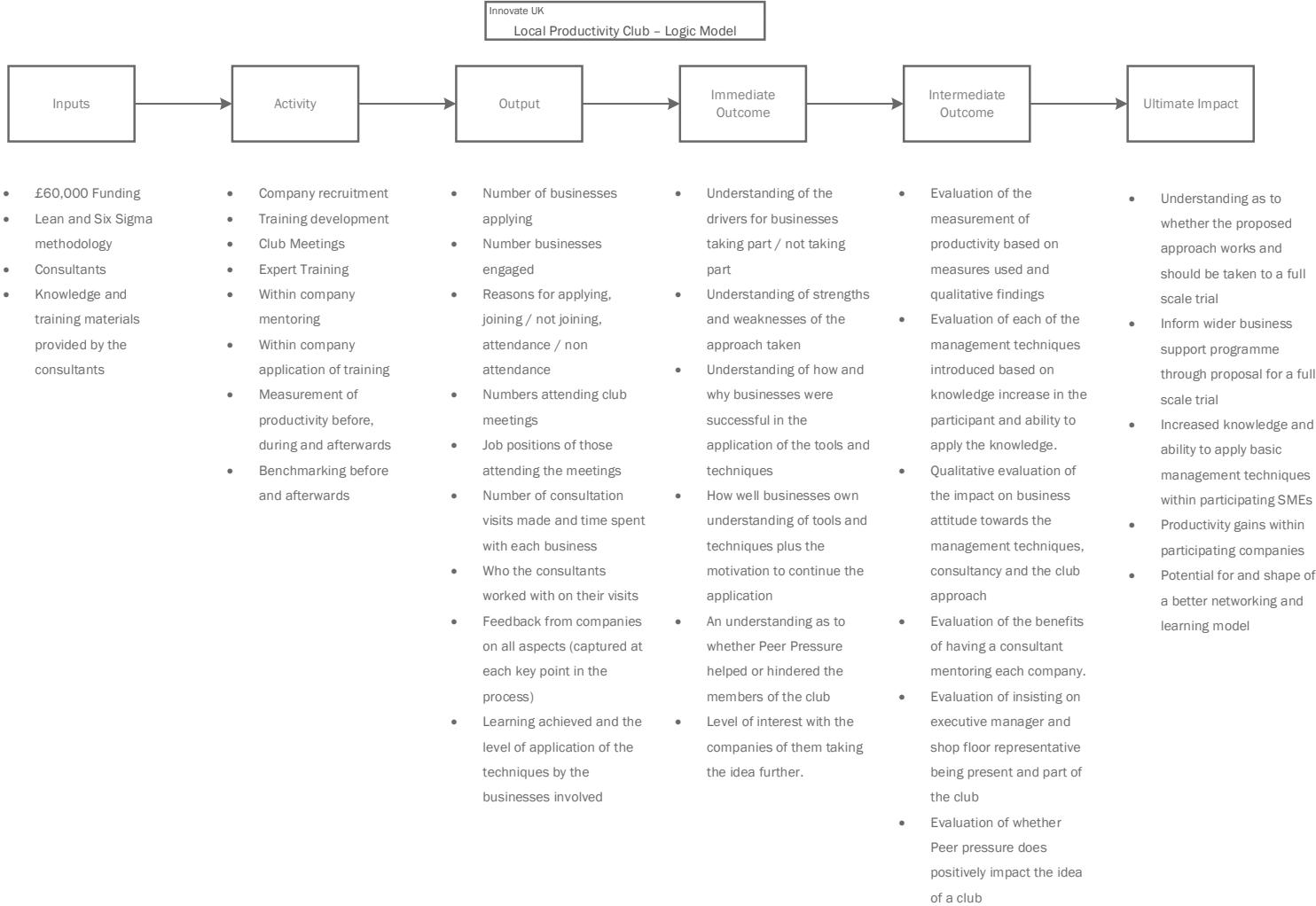
WLP will be in contact with the three companies that completed the club to complete a 3 month follow up review.

Conclusions and Recommendations

These are summarised in the executive summary.

Appendix 1 – Logic Map for Proof of Concept

This logic map was prepared to support the capture of relevant information to support the evaluation process.

Innovate UK
Local Productivity Club – Logic Model

Inputs	Activity	Output	Immediate Outcome	Intermediate Outcome	Ultimate Impact

Inputs
- £60,000 Funding
- Lean and Six Sigma methodology
- Consultants
- Knowledge and training materials provided by the consultants

Activity
- Company recruitment
- Training development
- Club Meetings
- Expert Training
- Within company mentoring
- Within company application of training
- Measurement of productivity before, during and afterwards
- Benchmarking before and afterwards

Output
- Number of businesses applying
- Number businesses engaged
- Reasons for applying, joining / not joining, attendance / non attendance
- Numbers attending club meetings
- Job positions of those attending the meetings
- Number of consultation visits made and time spent with each business
- Who the consultants worked with on their visits
- Feedback from companies on all aspects (captured at each key point in the process)
- Learning achieved and the level of application of the techniques by the businesses involved

Immediate Outcome
- Understanding of the drivers for businesses taking part / not taking part
- Understanding of strengths and weaknesses of the approach taken
- Understanding of how and why businesses were successful in the application of the tools and techniques
- How well businesses own understanding of tools and techniques plus the motivation to continue the application
- An understanding as to whether Peer Pressure helped or hindered the members of the club
- Level of interest with the companies of them taking the idea further.

Intermediate Outcome
- Evaluation of the measurement of productivity based on measures used and qualitative findings
- Evaluation of each of the management techniques introduced based on knowledge increase in the participant and ability to apply the knowledge.
- Qualitative evaluation of the impact on business attitude towards the management techniques, consultancy and the club approach
- Evaluation of the benefits of having a consultant mentoring each company.
- Evaluation of insisting on executive manager and shop floor representative being present and part of the club
- Evaluation of whether Peer pressure does positively impact the idea of a club

Ultimate Impact
- Understanding as to whether the proposed approach works and should be taken to a full scale trial
- Inform wider business support programme through proposal for a full scale trial
- Increased knowledge and ability to apply basic management techniques within participating SMEs
- Productivity gains within participating companies
- Potential for and shape of a better networking and learning model

Appendix 2 – Flyer and Frequently Asked Questions

West Norfolk Local Productivity Club FAQ

What is the club?

The club is a small group of manufacturing and service businesses that come together for 3 months to learn and implement techniques that have helped other organisations to improve productivity thus either reducing their costs or increasing their output.

What is Productivity?

In simple terms it is the amount of output or service delivered vs the amount of effort involved in creating and delivering it.

How does the club work?

If you are interested one of the mentors will come and visit and go through an assessment with you. Depending on the demand we will then select those we believe are most committed and able to be involved in the club. You will then be invited to join.

King's Lynn and West Norfolk **Productivity Club**

For SMEs in manufacturing and service

FREE training and on site mentoring to increase productivity and save costs

Club meets fortnightly March - May 2019

For more information or to apply to join email productivity@w-l-p.co.uk

Act quickly as spaces limited

WLP Helping Business Grow · The College of West Anglia · Supported by Borough Council of King's Lynn & West Norfolk · Funded by Innovate UK

King's Lynn and West Norfolk **Productivity Club**

WLP and the College of West Anglia, supported by the Borough Council of Kings Lynn and West Norfolk, have won government funding from Innovate UK to help local businesses increase productivity. Businesses can apply to be part of a **Productivity Club**. Here they will learn about and implement some easy to use tools and techniques to improve productivity in their own businesses.

The club will meet fortnightly at the College of West Anglia, Kings Lynn between March and May 2019. Each business will have a dedicated mentor to help them implement the techniques. It is free to be involved and the potential benefits are vast.

We are looking for SME manufacturers and service providers to join from within the Borough of Kings Lynn and West Norfolk. You will need to commit a senior manager or owner and someone from your workforce for a few hours fortnightly. In addition there will need to be a commitment to work to implement the techniques in between meetings supported by your mentor.

For more information or to apply please contact Steve on 07709 303551 or email productivity@w-l-p.co.uk

WLP Helping Business Grow · The College of West Anglia · Supported by Borough Council of King's Lynn & West Norfolk · Funded by Innovate UK

The club will meet fortnightly starting in January and will run for 7 sessions. You will be asked to commit a senior member of your team with the ability to make decisions and someone from the ground floor (shop floor – worker or immediate supervisor) to attend the club.

At each of the sessions we will review experiences, provide some teaching on a technique and provide instructions to help you implement.

In between the sessions your mentor will visit at least once to support you in implementing the technique.

FIGURE 4: PRODUCTIVITY CLUB FLYER SENT TO ALL CONTACTED COMPANIES

The final session will be a review of the process.

Where will the Club be held?

It will be held at the College of West Anglia. Currently it is proposed 08:00 – 10:00 on Wednesdays 6th, 20th March; 3rd and 17th April; 1st, 15th and 29th May 2019.

NOTE – 17th April session will last around 3 hours as we have a practical exercise which will help with understanding.

How is it funded?

Innovate UK, the UK's innovation agency, is funding the project after WLP, the College of West Anglia supported by the Borough of King's Lynn and West Norfolk applied for it.

What am I signing up to?

You are effectively signing up to free training and consultancy over a 3-month period covering March to May 2019.

In return we ask you to commit to the following:

Host an initial visit where we will benchmark you and determine your eligibility to be involved.

At least one senior decision maker and one ground floor member of staff (for example team leader) to attend the club on each of the 7 sessions. Additional members can also attend by agreement.

To allocate time to implement the techniques taught within your company either as a whole or within a pilot area, hosting a visit or two from your mentor (total time allocated to the mentoring is 3 days over the 12-week period per company).

A final visit to re-run the audit and review how it has worked for you.

What techniques are covered?

Currently we are planning to cover the following techniques, though these may change as we understand the needs of those wanting to take part:

- Managing Change - Achieving sustainable change resulting in companies communicating with their workforce
- Active Performance Management whereby productivity is measured daily and reviewed within the organisation
- Mapping Current Processes and identifying wasted activity together with simple techniques that result in some wastes being eliminated
- Understand the Value Stream so getting processes to flow better
- Basic Root Cause Problem Solving applied to a live issue resulting in an issue associated with productivity being solved
- Sustaining Change through active management resulting in a plan to develop and sustain what has been covered so far.

Am I eligible?

All SMEs that can be classified as a manufacturer or service company are eligible provided you comply with the EU requirements that define a SME (normally less than 250 employees with a turnover of less than €50m).

Secondly there is a de-minimus in terms of government and EU support your business received over a 3-year period. This is currently the equivalent of €200,000 maximum.

Thirdly your business needs to have an operating facility in the borough of King's Lynn and West Norfolk.

If in doubt, please get in touch.

I have already implemented some of these techniques

If you have already started your journey to improve productivity the club may not be as valuable to you as to others. If your implementation has not been as successful as you had hoped for, then feel free to apply. We will be happy to consider you.

Will all applicants be successful?

Due to the funding limitations we can only fund a maximum of 8 businesses being involved in the club on this occasion. Therefore, if more than 8 apply we will have to decide on who will be invited to join.

How will you decide who will be invited to join?

When we come to meet your company, we will run through a set of benchmarking questions, work with you to understand current productivity levels, have a quick visit around your facilities and meet some of your people. Based on the visit, which will take 1- 2 hours of your time, we will complete a benchmark report.

We will then select the members based on the likelihood that the approach will work successfully for that business. This will be determined based on senior management commitment, any previous work done to improve productivity, the perceived opportunity to achieve real change within the 3-month timescale allocated.

We will also not invite two companies that may be in direct competition with each other unless both parties agree that this is OK and that competition law requirements will be upheld.

When will this assessment take place?

As soon as we can agree a mutually agreed time. It must be complete by 14th February 2018.

When will I get to know whether I have been successful?

We will communicate by the end of February 2019 at the latest.

What happens if I am not successful

You will receive a Productivity Voucher which will entitle you to a free half day consultancy visit from WLP where a more detailed review will take place and an improvement roadmap will be produced for you.

Is my IP and information safe?

All parties involved sign up to a mutual confidentiality agreement which means that any information you choose to share which is of a confidential nature will be treated as confidential to you. At the end of the project we will be completing a report for Innovate UK which will describe the work done and our findings. As this is a public document, we will not be naming the companies involved unless the company is happy to be named. Any data presented will be anonymised so that it can only be linked back to the sector and company size and also evidence how successful the club has been.

Are there any other conditions?

As this is a government funded initiative it is only open to SMEs. Successful companies will need to sign a letter of commitment which certifies that your company is an SME, that it is eligible in that it has received less the €200,000 in equivalent government or EU grants

over the last 3 years (in funds or in kind). It will also cover off GDPR requirements and a commitment to fully participate in the club for its duration.

I have unanswered questions

Please either email Productivity@w-l-p.co.uk or ring Steve on 07709 303551.
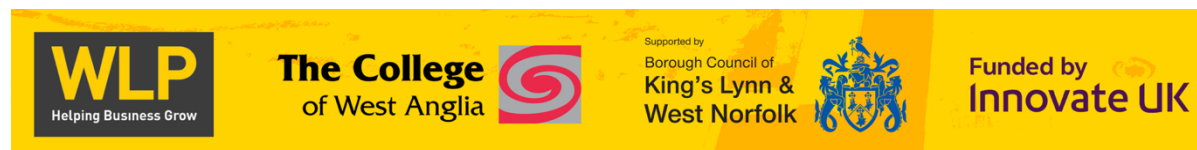
Appendix 3 – Engagement Letter

Company name and address

Date

Dear …

Local Productivity Club – Proof of Concept – Terms of Engagement

We do need to have an agreement in place with those companies that have agreed to be part of the club. This is primarily to ensure our roles and responsibilities are clear. This letter therefore describes the agreement between your company and the Local Productivity Club funded by Innovate UK and the the Department for Business, Energy and Industrial Strategy's Business Basics Fund.

 …… Ltd have agreed to be part of the Local Productivity Club. As such you agree to attend all the club meetings, being represented by a minimum of one senior manager (or someone who can make decisions on behalf of the company) and one senior operative or team leader. To maximise the opportunity for your company you agree to ensure that the attendees, as far as is practicable, will be the same people throughout.

You also agree to make time and resources available between the club sessions to work to implement either in one agreed pilot area or over the entire operations the tools and techniques taught.

The productivity club will provide you and your company with at least 4 hours of consultancy between each club meeting to assist with the implementation. The allocation of this time is to be agreed between yourselves and your primary contact whose details can be found in appendix 1.

Prior to engaging with the club, you have provided the club with some data about the productivity within your business. We will also run a similar exercise after all the club sessions. This data, once normalised, will be used as part of the final reporting that the club needs to do to Innovate UK. Appendix 2 contains a full GDPR data disclosure statement.

Being a member of the club, you agree to participate fully in the club meetings, and to keep information supplied by other companies involved confidential.

You will be provided with training and implementation materials. These are yours to keep and to use within your company. The copyright of these documents remains with the authors and is not transferred to yourselves.

Finally, in order to participate you confirm that your company complies with the following:

1. You are an SME as defined by being a company or group of companies who in total have less than 250 employees, a turnover of less than €50m or a balance sheet of less than €43m.
2. Your business does not hold 25% or more (capital or voting rights) in another business.
3. Another business does not hold 25% or more of your enterprise.
4. You have not received in government grants or other aid (either directly or in kind) of more than the €200,000 de minimus over 3 fiscal year period (you need to assume the benefit provided by this project is valued at €10,000).

Regards

Steve Palmer
Director and Principal Consultant
Tel: +44 (0)7709 303551

Company name and address

Date

I agree to participate in the Local Productivity Club and to abide by the conditions laid out in the Terms of Engagement letter.

I confirm that *company name* is an SME, and has received less than €200,000 in the last two and this current fiscal year.

Signed

Name:

Position / Job Title:

Company name:

Appendix 1

Your Local Contact

We will remove those not appropriate

Steve Palmer   steve.palmer@w-l-p.co.uk   07709 303551

Richard Garwell   Richard.garwell@w-l-p.co.uk   07747 686560

Simon Youngs   si.youngs@icloud.com   07976 646882

If further help is required please contact:

Steve Palmer   steve.palmer@w-l-p.co.uk   07709 303551

Or

Norman Wilson   norman.wilson@w-l-p.co.uk   07720 069016

Appendix 2

GDPR - Privacy Notice

This notice sets out how we will use your personal data, and your rights. It is made under Articles 13 and/or 14 of the General Data Protection Regulation (GDPR).

YOUR DATA

We will process the following personal data:

- Names and contact details of employees involved in the club
- The name and publicly available details of your company
- Relevant information about your operation and processes
- Data concerning your current and any future productivity performance and benchmark results
- Other data that you make available to us in the course of this project

We will share with you any data that we plan to formally share with BEIS prior to it being published.

Purpose

The purpose(s) for which we are processing your personal data is to be able to demonstrate whether the Local Productivity Club concept is capable of improving the productivity of the companies that chose to be involved. The demonstration will be in the form of a report submitted to Innovate UK at the end of the project.

Legal basis of processing

The legal basis for processing your personal data is that you consent to us doing so as part of your involvement within the Local Productivity Club.

Recipients

BEIS will have access to the data collected as part of this project, e.g. survey data, normalised productivity measures, benchmark results, unique business identifiers, and contact details of participants. Unique business identifiers may include; companies house registration numbers, business name, address, SIC code etc.

Data may be linked with other administrative data sources (e.g. HMRC data) for long term economic impact analysis, and further evaluation activity, to inform future policy making.

This data may also be shared with an external contractor to conduct this analysis on BEIS's behalf.

BEIS will also have access to contact information, in the event of re-contacting participants for further research (e.g. follow up surveys). In limited circumstances the continuum of data will potentially transcend to sole traders.

As your personal data will be stored on our IT infrastructure it will also be shared with our data processors Microsoft and Amazon Web Services.

Retention

The information you provide will be retained by the department in line with best practice guidance and standards provided by the National Archives. http://www.nationalarchives.gov.uk/information-management/browse-guidance-standards/

Those administering the club will keep the data for no more than 12 months unless there is ongoing work with your company in which case a separate privacy agreement will be discussed.

YOUR RIGHTS

You have the right to request information about how your personal data are processed, and to request a copy of that personal data.

You have the right to request that any inaccuracies in your personal data are rectified without delay.

You have the right to request that any incomplete personal data are completed, including by means of a supplementary statement.

You have the right to request that your personal data are erased if there is no longer a justification for them to be processed.

You have the right in certain circumstances (for example, where accuracy is contested) to request that the processing of your personal data is restricted.

You have the right to object to the processing of your personal data where it is processed for direct marketing purposes.

INTERNATIONAL TRANSFERS (if applicable)

As your personal data is stored on our IT infrastructure and shared with our data processors Microsoft and Amazon Web Services it may be transferred and stored securely outside the European Economic Area. Where that is the case it will be subject to equivalent legal protection through the use of Model Contract Clauses.

COMPLAINTS

If you consider that your personal data has been misused or mishandled, you may make a complaint to the Information Commissioner, who is an independent regulator. The Information Commissioner can be contacted at:

Information Commissioner's Office

Wycliffe House

Water Lane

Wilmslow

Cheshire

SK9 5AF

0303 123 1113

casework@ico.org.uk

Any complaint to the Information Commissioner is without prejudice to your right to seek redress through the courts.

CONTACT DETAILS

The data controller for your personal data is the Department for Business, Energy & Industrial Strategy (BEIS). You can contact the BEIS Data Protection Officer at:

BEIS Data Protection Officer
Department for Business, Energy and Industrial Strategy
1 Victoria Street
London
SW1H 0ET

Email: dataprotection@beis.gov.uk

Alternatively contact:

WLP
High Street
Watton
Norfolk
IP25 6AR

Once the project is complete any follow up work done by those involved in the club, Anglia Business Growth Consultants Ltd (WLP), The college of West Anglia (CWA) or the Borough Council of King's Lynn and West Norfolk will be subject to a separate Privacy Notice.

Appendix 4 – Training Feedback

Session Number/Date	1 – 6 March 2019	2 – 20 March 2019	3 – 3 April 2019	4 – 17 April 2019	5 – 1 May 2019	6 – 15 May 2019
Subject	Creating & Managing Change	Creating an environment for improving productivity	Process Mapping	Plug Game	Problem Solving	Sustaining Productivity Improvement
Delivered by	Richard Garwell	Steve Palmer	Richard Garwell	Simon Youngs	Simon Youngs	Steve Palmer
Number of Attendees	4	7	4	8	3	5
Presentation	3.75	3.43	3.50	4.00	4.00	3.6
Content	4.00	3.29	3.50	4.00	4.00	3.8
Venue	4.00	3.57	3.75	3.88	3.33	4.00
Organisation	3.25	3.57	3.75	3.88	3.33	4.00
Did the Training course meet your Expectation	100%	100%	100%	100%	100%	100%

Anything that could be improved	More direct Q & A for classroom engagement	Inclusion of (practical) exercises & written exercises to get peoples brains thinking without fear of having to speak up if not confident. Examples of dashboards. Overall, I don't think any improvement required against the lesson objective. In time, maybe, a minor tweak to presentation may help others. Not sure content was what I expected. Thought second session was on changing behaviour	No comments made	No comments made	No, spot on very interesting and will use this back at work.	No Comments Made

Do you need further help regarding this session	33% said Yes 67% said No	60% said Yes 40% said No	25% said Yes 75% said No	100% said No	33% said Yes 67% said No	20% said Yes 80% said No
If Yes, please expand	33% commented - Help will come on site visit to us	60% commented - To get a clearer understanding of what our productivity focus will be. Not sure, but just need some help on understanding session & how to use this information. Meeting @ Company D to build a process.	25% commented - not sure but {the} next session I think will help us put it in place at next meeting		33% commented - Do a fishbone diagram practically in house.	20% commented -Will be helpful when Company O are making changes to run through at relevant time
Any other Comments	Looking forward to next sessions	A well-balanced session that allows food for thought. It will also allow for implementation of learning points	Process mapping will be completed in conjunction with Josh & Simon and Enjoyed the course. Many thanks	Very interesting & Useful. A very good session that allows practicable use of skills to be implemented in a classroom	I think like plug game this session would also be good for other people at Company D	This was a good session that I will use going forward to keep improvements going and audit. Great session. Many thanks

				environment. Very enjoyable session. Many thanks		

Appendix 5 – Benchmarking Survey
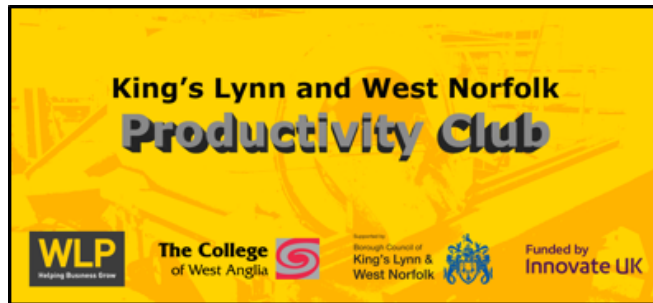
PRODUCTIVITY BENCHMARK AUDIT

INSTRUCTIONS

1. Work through each tab and self assess your own company against the statements contained therein.

2. In each section, tick one box that most closely aligns with your company's current situation. Each section will be counted towards the final overall score for your company.

3. It is best to go with the answer that rings true without much analysis!

Company Name:		Total Score:	0	In each section, tick **one** box that most closely aligns with your company's current situation.

Governance

1	Strategic Plan		2	Management Vision		3	Strategic Awarenes		4	Strategic Deployment	
	No business plans exist. The Business is run with a focus on today.	☐		Management are focused on short term goals.	☐		No strategic business planning experience within the company.	☐		Communications are mainly reactive on a need to know basis.	☐
	The Business doesn't have a clearly defined vision. It is managed through an annual operating plan and budget	☐		The plan is owned and controlled by the Managing Director	☐		The Managing Director has strategic business planning experience. Training of senior management is required	☐		Communication throughout the Organisation needs improvement. The senior management are developing a plan for this	☐
	The Company has defined its vision and values and developed a strategy. A deployment system needs to be put in place to cascade objectives to front line staff.	☐		The vision and strategy is owned by the Board and senior management but there is a need to involve other staff	☐		Some management have been trained and have experienced strategic business planning techniques. Strategic plans are being developed by the senior management.	☐		Communication of the plan rests with senior management. A deployment and communication system is needed to involve front line staff	☐
	The Company has defined its vision and values. It has developed a strategy that has been formally deployed and cascades down to front line staff.	☐		The vision and strategy is owned by the Board and senior management. The senior management have developed plans and involve their staff to support the strategic plans.	☐		Senior management have been trained and adopted strategic business planning and policy deployment techniques. They are fully involved in the Company's strategic planning processes.	☐		The strategic plan has been deployed to all areas in the Business. All employees have targets and goals that support the strategic plan.	☐

5	Strategic Reviews		6	Leading Change		7	Visible Leadership		8	Roles & Responsibilities	
	No formal reviews of the strategic plan or performance are carried out.	☐		A traditional management style exists. Management don't see the need for change.	☐		Employees work to management instructions. Coaching and support for employee development does not take place.	☐		Leadership roles and responsibilities aren't clear.	☐
	No strategic reviews are carried out. The management process is by regular review of operating performance and budgets.	☐		Some senior management show lack of commitment to continuous development. The need for greater involvement of employees has been recognised, and leadership development is required	☐		Management do not provide significant coaching and support for the development of employees. The Managing Director has recognised the need for improvement in this area.	☐		Roles and responsibilities aren't as clear as they need to be. This is reflected in the lack of accountability and performance of some management.	☐
	There is a formal management process to review progress against the strategy.	☐		Some senior management see the need for change and the continuous development of the Organisation. Some employees are involved in business improvement activities.	☐		Some management are approachable and visible, providing coaching for employees to develop and deliver goals and objectives.	☐		All managers have clearly defined roles and responsibilities. Some managers need to show more accountability for the development of people and a performance culture.	☐
	There is a formal process to regularly review progress against the strategic objectives at all levels of the Organisation through a policy deployment process.	☐		All senior management see the need for change and the continuous development of the Organisation. They involve all employees in business improvement activities.	☐		All management are approachable and visible, providing coaching for employees to develop and deliver goals and objectives.	☐		All managers have clearly defined roles and responsibilities. They see the need for continuous improvement and people involvement. Leading change is evident with all management using their skills to develop a performance culture through responding to employee ideas and leading formal improvement activities.	☐

9	Leadership Development		10	Leading Communication	
	Leadership training is not generally given and these skills are developed on the job.	☐		Leaders rarely communicate to employees.	☐
	Some leadership development has been given. This has generally been done to meet a specific need or request.	☐		Many of the leaders in the Organisation see communications as a need to know activity and respond accordingly.	☐
	Leadership development is seen as important to the business success. Leadership training has been given, generally when appointments or promotions are made.	☐		All managers see the need for effective communications and they have a system for providing business and performance information to all staff. Communications tend to be top down with limited employee contribution and feedback.	☐
	All managers have been formally appraised and have development plans linked to the business strategy. Leadership development is seen as key to business improvement and training is given to meet the strategic goals.	☐		All managers see the need for effective communications and they have a system that is visible, providing business and performance information for all staff. Communications are effective with good employee contribution and feedback.	☐

| Company Name: | | Total Score: | 0 |

In each section, tick **one** box that most closely aligns with your company's current situation.

Quality

1 Policy and Strategy		2 Leadership		3 Quality Planning		4 Responsibility & Accountability	
No quality policy exists.	☐	Quality is delgated to a person/people otuside of the senior management team, and the MD gets involved when something goes wrong	☐	There are no quality plans. Quality problems are addressed as and when they arise.	☐	Responsibilities aren't as clear as they might be. No improvement activity takes place. Corrective action is reactive to circumstances, and this is having a negative impact on quality performance	☐
There is a quality policy but no accredited quality system.	☐	Management understand the 'process approach', progress with our developing QMS is being driven by the MD.	☐	Quality is managed with inspection ensuring quality standards are achieved. Quality improvement objectives aren't used.	☐	Responsibility for quality is with a director or senior quality manager. Improvement activity tends to be reactive and involve a few key people.	☐
There is a quality policy and the Company is working toward an accredited quality management system (ISO 9001).	☐	Management has demonstrated a commitment to quality and defined responsibilities throughout the Organisation. They have a plan to achieve accreditation (ISO 9001).	☐	Some quality objectives have been agreed. Quality plans are used in some areas of the Organisation	☐	Responsibilities for quality have been established and deployed. There is a senior manager responsible for the quality system and performance which is reviewed at management level.	☐
There is a quality policy and accredited quality management system (ISO 9001).	☐	Management are fully involved with our QMS, ensure that the effectiveness of the system is measured and monitored and focused on all improvement activities	☐	Quality objectives are established from the manufacturing strategy. These objectives are deployed to all areas of the business. Quality plans are operational throughout the organisation	☐	The quality system is led by the Board. They are proactive in quality matters and are briefed and updated on a monthly basis. They hold formal management reviews and provide support and resources to drive quality improvement.	☐

5 Competence		6 Process Capability		7 Documented Information		8 Tracability / Non Conformance	
Training is seen as a cost and done when it is essential.	☐	Process capability isn't used to improve quality performance.	☐	A few records and documents are kept. There is need to improve the control of documents and records	☐	There is no process for product traceability and management of non-conforming products.	☐
Appropriate quality training is given as and when required. Competence checks are not generally carried out.	☐	Process capability has been recognised as the way to control and continuously improve product quality. No action has been taken to develop this approach.	☐	Some records and documents are kept. There is need to improve the audit and control and ensure they are up to date. An improved system is needed.	☐	There is a process for product traceability and management of non-conforming products. This process it isn't always followed.	☐
Appropriate quality training is given and its effectiveness is generally reviewed. Training is determined by business needs and to meet any skills gaps. Appraisals and employee development are being planned.	☐	Process capability has been recognised as the way to control and continuously improve product quality. Some key plant has defined process capability that statistically meets customers requirements.	☐	Records and documents are kept, and are in generally in control with an odd exception. The Company is operating in line with and working towards an accredited quality standard.	☐	There is a process for product traceability and management of non-conforming products. This process isn't part of an accredited management system. This is being addressed as part of a move towards accreditation (ISO 9001).	☐
Quality training is deployed from the business strategy to meet the Company's development and improvement needs. There is an employee appraisal and development system in place to identify the need for training and record its effectiveness. Quality communication is effective and visible throughout the Organisation. Competence is measured and signed off to standard work methods.	☐	Process capability has been established as the way to control and continuously improve product quality. All key plant has defined process capability that statistically meets customers requirements.	☐	An accredited quality management system is in place and fully compliant for the control of documents and records.	☐	An accredited quality management system is in place and fully compliant for management of non-conforming products and product traceability.	☐

9 Audit		10 Continuous Improvement	
No audit procedure exists.	☐	Firefighting tends to exist in the Organisation.	☐
Audits aren't always carried out to schedule.	☐	Improvement activity is usually incident driven. Management lead and involve employees as they see fit. Improvement trends are not showing tangible improvement.	☐
There is a formal procedure for audit that is accurate and up to date. Management have to constantly push for conformance. More needs to be done to develop the quality culture and management have plans to address this.	☐	The Organisation carries out continuous improvement activities. This is management led and involves key people in the Organisation. The management have plans to roll this out across the Organisation.	☐
There is a formal procedure for audit that is accurate and up to date. Records are in control without exception. Employees are actively involved in quality management and improvement activities	☐	The Organisation has a formal continuous improvement process (eg Kaizen). The process operates company wide. It is employee driven, and addresses quality, cost, safety and people performance. Improvement activity is communicated visually and there arepositive improvement trends.	☐

| Company Name: | | Total Score: | 0 |

In each section, tick **one** box that most closely aligns with your company's current situation.

Employee Engagement

1 Employee Commitment

- Employees are generally unaware of the strategic aims and values of the Business. ☐
- Employees have been told about the Company strategy and values but don't understand their role in delivering the plan. Employee commitment is low. ☐
- All employees are aware of the Company strategy and values and some have demonstrated commitment through their actions and contributions. ☐
- All employees are aware of the company strategy and values and have demonstrated commitment through their actions. Significant change is evident through employee led initiatives and continuous improvement activity. ☐

2 Employee Objectives

- The benefits of deploying employee targets and goals are not understood by management. No employee targets or goals are set. ☐
- There is some awareness of the need to set employee targets and goals but no system is in place to develop and manage these. ☐
- There is no formal policy deployment system. Some employees have targets and goals but these aren't fully driven and linked to the Business strategy. ☐
- There is a policy deployment system that cascades targets and objectives to employees. Performance is measured at all levels as part of the formal strategic process. ☐

3 Employee Accountability

- Employees don't generally get involved in business improvement. Management don't see the benefit of total employee involvement. ☐
- Continuous improvement activities are limited. This is normally management led, with employees involved when requested. ☐
- Formal continuous improvement groups exist in some areas. Some employees are proactive, generally the need to implement change is management driven. ☐
- Formal continuous improvement groups exist and are driving a performance culture within the business. Employees are proactive in coming forward with ideas for improvement and are able to implement change from their contributions. ☐

4 Employee Culture

- Employee surveys aren't carried out or planned. Morale is an issue. ☐
- Employee surveys are being considered as part of future plans. Morale is generally satisfactory. ☐
- Employee surveys are carried out with mixed results and action to address issues raised is planned. Morale is generally good with most employees satisfied with their role and support from management ☐
- Employee surveys are carried out and are showing positive trends. Morale is good with the majority of employees satisfied with their role and support from management. There is a formal recognition process led by management. ☐

5 Employee Development

- No employee training and development takes place. ☐
- Some limited training and development takes place. No formal review of personal development plans takes place. ☐
- Some employees have appraisals and personal development plans linked to the Business objectives. Skills development is seen as an important business priority; further work is needed to fully integrate the strategic plan, employee goals and the appraisal system. ☐
- All employees have appraisals and personal development plans linked to the Business objectives. Skills development is seen as an important business priority and is driven from the strategic plan and the appraisal system. ☐

6 Employee Records

- HR records aren't kept. ☐
- HR records are kept but not always accurate. ☐
- HR records are kept to support staff personal development in most cases. ☐
- HR records are kept to support all staff personal development plans and objectives. ☐

7 Skills Competence

- There are skills gaps in key areas of the Organisation and there is no plan to address this. ☐
- The Organisation trains employees to meet business needs. Some skills shortage exists but this isn't impacting on day to day running of the Business. ☐
- The Organisation has a skills assessment process linked to the Business's needs. The company has competent people in most key areas of the Organisation. Some skills are required for the future but at present the Business is ok. ☐
- The Organisation has a skills assessment process linked to the Business's needs. The Company has competent people in all key areas of the Organisation. The process covers safety, quality and process requirements and is linked to employee appraisals. ☐

8 Ideas & Suggestions

- Employees are not proactive at generating ideas. ☐
- Employee ideas and suggestions are sought with limited success. Managers are aware that there is a need to implement this process. ☐
- There is a process that maximises employee ideas and contributions. This process is facilitated by line leadership and generates implementable suggestions from some employees. Most of the ideas are fully evaluated with some implemented. ☐
- There is a process that maximises employee ideas and contributions. This process is facilitated by line leadership and generates implementable suggestions for all employees. All ideas are fully implemented ☐

9 Communications

- Communications are poor or ineffective. Information isn't normally shared with employees. ☐
- Communication is essentially one way and management driven. Employees are involved on a need to know basis. ☐
- Communication is good throughout the Company. Management tend to lead on this. There is some two way feedback but management are aware that this can be improved and there is a plan ☐
- Effective two way communication is evident in the Organisation. Employees are fully aware of business plans and company activities. The employee feedback process including group activities is proactive without management driving this. ☐

10 Change & Empowerment

- The Organisation is traditional in its approach. Employees are given instructions. Little empowerment exists. ☐
- Change is starting to happen in areas of the Business. Management are planning to drive employee involvement. ☐
- Some employees embrace change and are actively involved in improvement programmes and group activity. Management are driving employee involvement. ☐
- Employees embrace change. All employees are actively involved in improvement programmes and group activity. Change is evident in all areas of the Company. ☐

| Company Name: | | Total Score: | 0 | In each section, tick **one** box that most closely aligns with your company's current situation. |

Process

1 Manufacturing Strategy

There is no manufacturing strategy or plan for process improvement.	☑
The Organisation is aware of process improvement principles and it has carried out some improvement project	☐
There is no formal manufacturing strategy, but improvement plans have been implemented in some areas of the Organisation and have shown good progress.	☐
The Board has developed a manufacturing strategy in order to achieve world class performance. This strategy has extended to all areas of the Organisation and is fully integrated as part of the business's vision through policy deployment.	☐

2 Value Stream Management

Management isn't aware of the value stream management assessment tools.	☑
The management understand the need for value stream management but have yet to plan for its introduction	☐
Value stream management is understood and being introduced. A current state value stream map has been developed for the main product by an improvement team.	☐
Value stream management is evident. Product value streams have been identified along with the development of current state and future state maps. Improvement plans are being managed by the value stream mapping teams.	☐

3 Preformance measurement

KPIs aren't controlling the key processes. Data collection and problem solving are not used for Business Improvement	☑
KPIs are understood but are only deployed in selected machines/areas. No visible performance measurement is evident. Reviews of performance tend to be informal. Data are sometimes captured to solve specific problems.	☐
KPIs are developed for some key business metrics such as quality, cost, delivery and safety. Data are captured and analysed, but improvement actions aren't fully delivering results.	☐
KPIs are developed for some key business metrics such as quality, cost, delivery and safety. Data are captured and analysed as a basis for problem solving and continuous improvement. Improvement actions are always implemented and closed out. Performance trends are achieving targets.	☐

4 Process Improvement

Process improvement benefits aren't understood or part of the Organisation culture.	☑
Some process improvement training has been introduced. Training, however, is limited to one or two key people. Senior management haven't been trained, they have delegated this to others	☐
Most employees have been trained and demonstrate an understanding of process improvement methods. There are some champions for process improvement who have the responsibility to deliver this.	☐
All employees have been trained and demonstrate an understanding of process improvement methods. All key people are champions for process improvement and are proactively driving the process forward with good achievements.	☐

5 Workplace Organisation

5S workplace organisation has not been implemented.	☐
5S has been tried but not sustained.	☐
5S workplace organisation is partially implemented and planned to be rolled out. More work is needed to ensure the process is sustained.	☐
5S workplace organisation is fully implemented and is being controlled and sustained.	☐

6 Standard work Methods

Standard work methods of control aren't used.	☐
Standard work methods are being introduced.	☐
Standard work methods are used as a basis for business control and improvement in some areas	☐
Standard work methods are used as a basis for training, quality control, problem solving and process control disciplines.	☐

7 Productivity and Service

Productivity and Customer Service are not measured	☐
Productivity and Customer Service are measured. The information is not used to understand issues and drive improvement.	☐
Productivity and Customer Service are actively measured and reviewed at least weekly by management and operations staff at Tier 2 level	☐
Productivity and Customer Service are actively measured and reviewed daily by management and operations staff at Tier 2 and Tier 3 level	☐

8 Communications

Communications aren't in place, other than on a need to know basis.	☐
Communications aren't in place, other than on a need to know basis. This is an area management know they need to address.	☐
A communication process exists. This promotes and reviews quality performance. This tends to be top down with limited feedback from employees. Management have identified this and plans are being introduced to improve employee contribution.	☐
A good communication process exists which involves briefings, quality improvement groups, with visible quality performance data throughout the Organisation. Feedback is effective with employees being proactive providing two way feedback.	☐

9 Supply Chain Management

Supply chain partnerships are not seen as important.	☐
The importance of supply chain partnerships is being evaluated.	☐
The importance of supply chain partnerships has been recognised. Supply chain partners are being sought as part of the business strategy.	☐
Key suppliers are aligned to the Organisation with agreed improvement goals and objectives. The Organisation is an approved supply chain partner with their major customers.	☐

10 Reliability Management

No planned maintenance is carried out. Plant is serviced when problems occur.	☐
Maintenance is carried out by maintenance staff on most of the equipment. The activities aren't scheduled as well as they could be. Maintenance records need to be improved.	☐
There is a process for routine planned maintenance on most of the equipment. The schedules are always maintained. Accurate records of plant performance are kept. Maintenance staff deal with all planned maintenance activities.	☐
There is a process for routine planned maintenance on all equipment. The schedules are always maintained. Accurate records of plant performance are kept. Operators are involved in asset care maintenance procedures.	☐

Appendix 6 – Productivity Measure

WLP's experience has shown that a strong measure for productivity is:

Gross Margin / Direct Hour Employed (GM/direct hr)

Where

Gross Margin = income – cost of goods – direct labour*

Income is normally defined as turnover but will be applied in this case as value of goods produced or service delivered.

Cost of goods includes cost of raw materials, utilities, and labour that is directly associated with creating the product or service

*The labour should also include those who process information, orders, despatch paperwork, invoices and are directly associated with the delivery of the product or service.

Normal overheads including management, sales and marketing, product development, service and maintenance is excluded.

This was the measure used to assess productivity before and during the proof of concept.

Where companies do not have good records then employees will be categorised as direct or non-direct and the payroll record used to assess the hours.

The cost of goods will be assessed monthly from the monthly accounts and the % against turnover used to assess this based on the daily measurement of income.

A measure based on Turnover was also used as this ignores spikes in purchasing that may have occurred in the period of measure.