

# Montupet (UK) Ltd

Montupet (UK) Ltd is a division of a French owned company that has manufacturing plants in Canada, Spain, France, Mexico and Northern Ireland.

In 1989 the company announced that it was to open a new plant at Dunmurry in Northern Ireland. It purchased a factory that had been previously used by the ill-fated De Lorean Motor Company. Northern Ireland had no traditional experience in aluminium foundry work so a massive recruitment and training programme was put into operation and in March 1990 the Dunmurry plant cast its first part for The Ford Motor Company.

The Dunmurry plant currently employs 1050 people who are engaged in a wide range of activities from semi-skilled production operators, who join the company with very limited skills, to graduate engineers who join with very high levels of competence. Over 30% of the production operators are recruited from the Long Term Unemployed register.

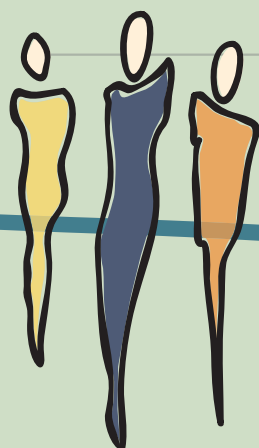
The company has experienced steady growth from 1995 and experienced a major increase in production volumes between 2000 and 2001 with production increasing by 32%. This increase was achieved in an environment of intense competition with the company having to compete with competitors establishing foundries in Poland and Czechoslovakia. The key element in establishing foundries in Eastern Europe is reduced labour costs, a key concern for all high volume manufacturing.

Montupet decided not to relocate but to focus on developing sustainable competitive advantage by producing products of a higher quality to specific customer requirements and by striving to remain at the cutting edge of innovation in the process of developing high quality products at a comparative cost. In attempting to place tight controls on the various production costs Montupet identified internal and external scrap as an area where major cost reductions could be found.

The company set a challenging goal to reduce the production scrap from 14.68% to 10%, the outlined reduction equated to £1.1 million saving. Montupet therefore needed to focus not only on process improvement but also on developing individuals with a greater range of skills and knowledge. The practical application of these increased skills would be tracked on a monthly basis using department key performance indicators; this would involve individual department managers reporting on departmental scrap. In order to implement the outlined approach Montupet needed to radically restructure its training delivery methods.

The Montupet strategic plan is updated annually or more frequently as business conditions change. In December 2000 senior management outlined a number of key objectives in a 2 year plan. These included

- To reduce total production scrap to 10%
- The recruitment and training of 95 skills tutors
- The mapping of skills specific to Montupet training onto the National Vocational Qualification framework
- All skills tutors to complete industry recognised qualification i.e. NVQ level 2 and specific Training and Development unit accreditation.
- To complete the outlined approach on budget, a total budget of £45,000 was agreed.



In designing the training programme Montupet needed to develop individuals who in the short to medium term could coach and mentor fellow production operators in the achievement of advanced production process and diagnostic skills. The long-term aim would involve these outlined individuals becoming vocational assessors. In order to recruit suitable individuals Montupet advertised internally for experienced production operators to volunteer to be trained as skills tutors. The response was exceptional considering that there would be no additional payment.

The trainee skills tutors were then allocated to one of 3 experienced company trainers who delivered training on skill specific training manuals. Skilled vocational assessors observed the tutors facilitating and coaching production operators in their areas of expertise and then formally assessed them. This approach was completed in a student centred environment with the pace of learning and assessment being dictated by the individual.

The range of new skills and knowledge displayed by skills tutors has facilitated the achievement of a number of vocational qualifications which include both full awards and units at both NVQ level 2 and 3.

### Certificated outcomes

- 95 skills tutors achieving coaching and facilitation unit certification in their Training and Development NVQ level 3 awards.
- 340 production operators achieving level 2 NVQ awards in Engineering Production, Performing Manufacturing Operations or Engineering Technical Services.
- 3 company trainers achieving Training and Development NVQ level 3 awards.

The outlined achievements and behavioural change to date have exceeded organisational expectations and are seen as a key change management intervention, with a number of skills tutors becoming involved in other improvement projects such as TPM (Total Productive Manufacturing).

### Impact on The Business

The key objective in developing the strategy involved increased efficiency driven by cost reduction. In order to facilitate this cost reduction production operators needed increased skills and knowledge. The main constraint within this approach related to the number of suitable trainers.

In overcoming this constraint Montupet have enjoyed various benefits. The actual parts cast in 2002 increased by 32% and there was a £1.2 million saving due to a 5.03% reduction in scrap plant wide. The more qualitative benefits include the development of a learning culture within Montupet, which in turn promotes employee development and has a positive impact on individual motivation by encouraging individuals to accept ownership and responsibility as part of their everyday activities.

This approach also promotes the concept of job enhancement and personal development. Personal development can be demonstrated in a number of community and school programs with company trainers now responsible for facilitating all industrial and school visits for various local schools. This activity can be viewed as a clear indication of increased levels of confidence and intrinsic motivation within this functional group.

Montupet has seen first hand the benefits of training and developing their workforce and it realises that its workforce is the most effective tool in ensuring its competitive edge for the future.

