

Driving towards sustainable change



The recent **RAILWAY STRATEGIES Supply Chain Conference** was a big success for both the organiser and delegates

Schofield Media Europe's first-ever Railway Strategies Supply Chain Conference, sponsored by TBM and supported by MAS/Trail and PM Professional Learning, provided an educational and thought-provoking day for the 160 delegates who attended from all over the UK.

Held on the 14th June, 2007 at the Hilton Metropole at the NEC, Birmingham, the conference was designed to explain how to attain, maintain, and retain a leading position within the rail industry supply chain, given the current trend of rationalising supplier numbers.

Both multinational companies and the SME community were represented by the visitors who attended the event to hear leading figures from the railway industry sharing their best practice secrets in a series of practical presentations and workshops. The speakers revealed remarkable insights into lean principles and first-hand

experiences from both the train operating companies and train builders.

The day's proceedings commenced with a presentation from Achilles' director of rail transport, Andy Harrison, on the value of supplier accreditation. This is all about risk reduction within the contract process; Achilles' accreditation process verifies, amongst other things, that the supplier complies with current procurement legislation, applies performance management/benchmarking, manages Corporate Social Responsibility (CSR)-specific issues, and provides up-to-date supplier information.

Jim Goodhead, South West Trains' head of procurement and contracts, next contrasted the relationships between the erstwhile British Rail and its suppliers with the complex situation that exists now between the ORR, Network Rail, TOCs, ROSCOs and a host of contractors. He stressed the importance of successful

relationships in the supply chain, based on mutually acceptable commercial terms, the will to work together, respect, trust, and personalities. He cited several successful co-operative activities, such as the Wessex Integrated Control Centre, and the Joint EC4T (Electric Current for Traction) project. He underlined the benefits of Achilles accreditation in reducing risks and avoiding 'death by audit', as well as stressing the importance of embracing CSR and environmental management (for example, more recycling, ethical trading, regenerative braking). His advice was to choose the right supplier to achieve the best results, to avoid confrontation and to create partnerships.

Two 'Masterclasses' were run during the course of the day. The first of these featured Bill Schwartz of TBM Consulting Group on the theme of business improvement by means of lean, six sigma and Kaizen methodologies. These all focus on enabling your business to function better, cheaper



and faster. An inspirational video presentation featuring one area within the loco repair and overhaul facility of the Norfolk Southern Railway Company showed how 63 order processing steps could be reduced to just six by mapping the process and identifying waste. Bill emphasised that **productivity = growth** and that as far as getting started was concerned – **just do it!**

Paul Wallis of Bombardier Transportation reviewed his company's rail credentials and stressed the importance of creating customer-focused project partnerships – strategic supplier alliances. He went on to talk about the opportunities provided by a dynamic aftermarket. Bombardier have a predictive maintenance system known as Orbita; starting with data-equipped rail vehicles with the capability to transmit this data to the Orbita Control Centre, faults can be detected, diagnosed and advice sent to the customer to enable repair procedures to be initiated. Such 'active fleet management' enables more time to be spent developing the supply chain, and continuous improvement becomes a way of life.

After lunch, Eurostar's head of procurement, Hugo Del Mar focused upon the company's Corporate Social Responsibility initiative 'Tread Lightly'. In this, Eurostar aims to work with its suppliers in reducing the organisation's carbon footprint and generally going greener. An important element of their approach is provided by eProcurement and eSourcing. The staff challenges included resistance to



Virgin Trains' Pendolino bogie overhaul has been transformed by ALSTOM via the Kaizen process



ALSTOM set up repair workshops for the overhaul of HVAC units following a Kaizen event

change, lack of understanding and a narrow view of the situation – all manageable with appropriate help and support. The benefits include a full audit trail, auto accounting, electronic approval, additional management information leading

to smarter purchasing. Cost reductions have been impressive, but we need a competitive market place. This is not a complete procurement substitute and requires some pre-work with suppliers.

The second Masterclass featured a case study of Alstom's WCML maintenance facility. 'Alstom's Lean Journey' was a graphic description of how a failing maintenance regime could be turned around using the Kaizen approach. In 2004 the availability of Virgin Train's Pendolino fleet was 38 out of 53 sets (71 per cent), as opposed to the requirement to have 46/47 (86-88 per cent) availability at any time. MTBF was 3000 hours; there were aircon and toilet problems; there was no planning; and a downsizing exercise resulted in strike action. Overall the customer was very unhappy indeed. The company embarked upon a lean journey in 2005, setting up repair centres, e.g., for bogie overhaul. A series of lean training and Kaizen events followed, adopting the five-day train/observe/implement/improve/produce approach. HVAC, toilet, catering equipment and bogie overhaul problems have all been successfully addressed in this way. The key to it all has been senior management commitment, staff buy-in, and a business improvement partner (TBM) to provide impetus. (For more information, see the feature 'A change for the better' in Railway Strategies, April-May 2007.

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The day's final presentation was by Andrew Lister, head of procurement and logistics at Siemens Transportation Systems UK on the theme of recruiting, retaining and developing the team. This was a personal insight into what works and what doesn't: from the correct specification of the job to attract the correct candidates, to the motivation and retention of the successful candidate.

Schofield Media Europe's conference organiser Alan Freeman was delighted with the feedback that the Conference had already received. "I have heard very encouraging comments from the visitors and speakers and many have indicated that they will be returning to the 2008 event, which is already being planned," he said. "I think that the Railway Strategies Supply Chain Conference is a welcome addition to the sector, and I look forward to developing the 2008 show." ■