



**Client:** MAN B&W

**Assignment:** Strategy development, project planning and implementation of a three into one site consolidation

## Providing the power to rationalise and relocate

**Our client is a German-owned manufacturer of large diesel engines for the marine, traction and power generation industries. The UK business operated out of three sites, two in the north west of England and a third in the south east.**

In an ever more competitive market, our client needed to raise business performance significantly in order to secure its long-term future in the UK.

### Our Approach

We undertook a strategic review of the business lasting 12 weeks, the output of which set out a consolidation and business improvement programme aimed at significantly reducing overheads and increasing productivity. The detailed planning phase that followed developed a two-phase programme. Working alongside an internal project teams, we led the design, development, planning and implementation of the changes.

### Phase one: restructuring the manufacturing facilities

Phase One involved closing one of the factories in the North West and consolidating its activities into the other facility nearby. The rationalisation featured a £20 million capital expenditure programme, and the scope encompassed:

- Increased concentration on the manufacture of 'core' components and parts through a large-scale make vs buy exercise
- Significant changes to the layout of Manufacturing, Assembly and Test
- Considerable capital investment in new plant and equipment
- Physical rebuilding and expansion of stores
- Upgrade and re-organisation of all office space

- Upgrade and re-development of Engineering services and facilities
- Redesign and streamlining of business support services (e.g. Finance, IT and Engineering)
- Restructuring the sales organisation
- Integration and upgrade of the SAP business system to a common operation across all locations

Phase one of the project was completed on time and to budget for both capital and revenue expenditure.

### **Phase two: managing the implementation**

Phase two involved closing the South East plant and relocating its activities into the new North West facility. Our ongoing role in this phase became one of project management for the implementation. The methodology developed for the first phase was followed in the second. Phase two of the programme was also completed on time and to budget.

### **Value delivered**

- £17million annual savings in direct and indirect overheads (excluding material savings)
- 15% reduction in manufacturing lead-times
- 10% cost reduction in bought out parts compared to manufactured costs
- £10million reduction in inventory