

Benefits at a glance

- ▶ *More information available to staff and improved performance measures*
- ▶ *Supplier delivery performance improved to 96 per cent*
- ▶ *Customer delivery performance increased to 98 per cent*
- ▶ *Turnover increased from £9.5 million to £25 million in just four years*
- ▶ *Growth of +30 per cent per year*
- ▶ *Achieved Oliver Wight Class A certification*

Customer profile

Believe, and the sky is the limit

Ulster Weavers became the first textiles company in the world to achieve Oliver Wight Class A accreditation. Three years earlier the company had recognised the need to respond proactively to the challenges which were facing the business i.e. stalled growth in both sales and profit plans, inefficiencies across the business, no final processes in manufacturing, poor quality etc. Now it is profitable and growing at +30 per cent a year.



Ulster Weavers is an object lesson in how to move from third class to world class – and the secret is changing the mindset of the people who work in the business.

The industry

To call the Northern Irish linen industry “beleaguered” would be a trite understatement. In 1960 there were 48 flax spinning and 50 weaving, dyeing and finishing companies continuing a tradition that goes back a thousand years. Today the province has two main spinners – Ross and Herdman’s – and two dyeing and finishing companies. The industry’s workforce has halved in the last seven years alone. Yet one dyer and finisher, Ulster Weavers, has almost trebled its turnover since 2000. Over five years, the Oliver Wight Class A performance improvement programme has transformed Ulster Weavers into a world-class company.

The company

Ulster Weavers employs over 280 people on three sites in Northern Ireland, UK. It makes Irish linen products and supplies UK and worldwide garment manufacturers for most major U.K. and U.S. retailers. Its competition is from low cost suppliers in China and Eastern Europe, and from Italian companies who compete on design and creativity.

The task

Declan Gormley (Ulster Weavers’ Managing Director) joined Ulster Weavers in 1999 from a background in retailing and marketing. He saw at once its potential as a key player in the world linen market: “It would be easy to dominate if we were able to perform.”

But performing was easier said than done. Gormley’s vision was that, “We weren’t going to be the cheapest but we could be the best. We are going to become a world class manufacturing business, the very best textile business we can be.

“It was a great focus, but understanding the reality of changing people’s mindsets was a large issue for us.”

The problem

Gormley’s main aim was growth: in a fixed cost business, higher volume meant profitability: “I recognised that the business wouldn’t grow unless we could sort out proper



planning, manufacturing and control. If you are running a business on an ad hoc basis, you make some pretty big errors because you are not that well informed.” If basic things like routings and timings are wrong, “your assumptions are wrong.”

At the beginning of this journey, Ulster Weavers’ business processes didn’t exist. Though Ulster Weavers had been a Geac IT user for five years or more, staff were knee deep in paper and using spreadsheets for everything. Says Gormley, “There was no planning, and no chance of forecasting.” And when orders went to production, there was no way of telling when the customer would get the goods.

The solution

Gormley found out about the Oliver Wight Class A programme by chance. Once he did, he decided it was the way forward. But he had to commit slowly. Before embarking on a full Class A programme, Ulster Weavers had to start with basic work on organisational structure, processes and systems. Instead of tackling all 28 Class A checklist items at once, Gormley focused on the key five: On time and in full (OTIF) delivery performance; supplier delivery

performance; schedule adherence, inventory accuracy, and adherence to the production plan. In 2000 its performance measures varied between 42 per cent (adherence to production plan) and zero (schedule adherence), with the others in between.

Gormley’s first step was to appoint a full time project manager, Gerry Shaw: “He was the catalyst, the driver. You can’t do it without someone like this.” This led to the creation of a steering group made up of one task team leader for each of the items on the Oliver Wight Class A checklist. The leaders now monitor each function to make sure people are doing what they said they would do. But Gormley still faced three major hurdles.

The obstacles

The toughest part of the assignment, he now recalls, was “to get commitment from the management team to see it through, to pay more than lip service to what needed doing.” At various meetings and in conversations senior managers told Gormley they wanted to be world class, “but nobody wanted to do anything differently.” The people running the business “were totally, totally behind you – up to the point where it came to doing it.”



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Declan Gormley
Managing Director
Ulster Weavers

Gormley realised, “We needed changes in the management team at different levels. We found people capable of running a business bigger than Ulster Weavers then was and recruited them to accelerate the change process.”

The shop floor staff, on the other hand, “welcomed the changes with open arms. And they said, ‘we can tell you how to do it better’. They were the least of my problems.”

The second, related, hurdle was persuading the sales team that they held the key customer information that would allow the Oliver Wight Sales and Operations Planning process (S&OP, now enhanced as Integrated Business Planning) to work properly: “Getting your demand forecast right,” says Gormley, “is an incredibly important part of this. But it took time to get the importance of getting it right embedded in people’s psyche. Even now, says Gormley, the demand forecast is not as accurate as he would like. Looking back, Gormley says, he regrets not getting sales involved in the change processes earlier. Nevertheless the S&OP meetings are now an outstanding success. “Now,” Gormley says, “we have in front of us information, we couldn’t have imagined four years ago.”

The third obstacle was that, just as the company was beginning to turn round, it took over one of its competitors. This provided a lot of opportunity: “The business was growing and we needed the capacity.”

But turning that business round and restructuring Ulster Weavers derailed the performance improvement programme for about 18 months just as it was getting under way. “Every process in the place had to change,” Gormley recalls. With the takeover out of the way, early in 2002 Ulster Weavers set up a new project team to focus on the business system. This time it used the lessons learned earlier to make rapid progress.

The turnaround

In mid 2002, over a year after the Moygashel acquisition came a defining moment. Gormley told the managers in a meeting that, “If you have a better idea, a better plan, than Oliver Wight and Class A, then tell me about it. But until you do, this is the process we are going to use.” This caused a significant change, says Gormley. After it, he recalls, “it was obvious people realised that I was serious: It accelerated the changes.”

Says Oliver Wight Europe partner Dave Manning, who helped Ulster Weavers adopt Class A, “The implementation had been bumbling along the bottom making some but little progress until the MD and a number of key Managers were exposed to a series of education sessions. This was a breakthrough.”

In July Manning’s informal audit assessed Ulster Weavers at Class B. But, says Gerry Shaw, “our performance measures were awful and in some cases we weren’t measuring them properly.” Ulster Weavers decided to go for Class A and set up a team to do it.

Ulster Weavers buckled down to sorting out the areas that its measured showed needed urgent attention. It set up supplier appraisals and monitoring systems and, for key suppliers, education and awareness sessions.

The company used root cause analysis to establish the reasons for late orders and identify areas for improvement. “None of this was easy,” says Shaw, and the company was having problems with the master production schedule. By July 2003, however, supplier delivery performance had climbed to 96 per cent and customer delivery performance to 98 per cent. Formal Class A certification followed two months later.

The results

Four years ago turnover at Ulster Weavers was around £9.5 million. Now it is £25m and plans to grow further.

Gormley says of the Oliver Wight S&OP process: “It’s the best thing that’s happened to our business”.

The secret

Gormley is convinced that the company has changed because its people changed their behaviours. Most of the success, he believes, is a result of “finding, keeping, and developing the right people. Everything else flows from that.”

Manning agrees: “Ulster Weavers are part of an industry where you would not necessarily expect to find leading edge thinking and excellent people. They are also based in an area which has not had significant investment in people development over the past 20 to 30 years. “However, what

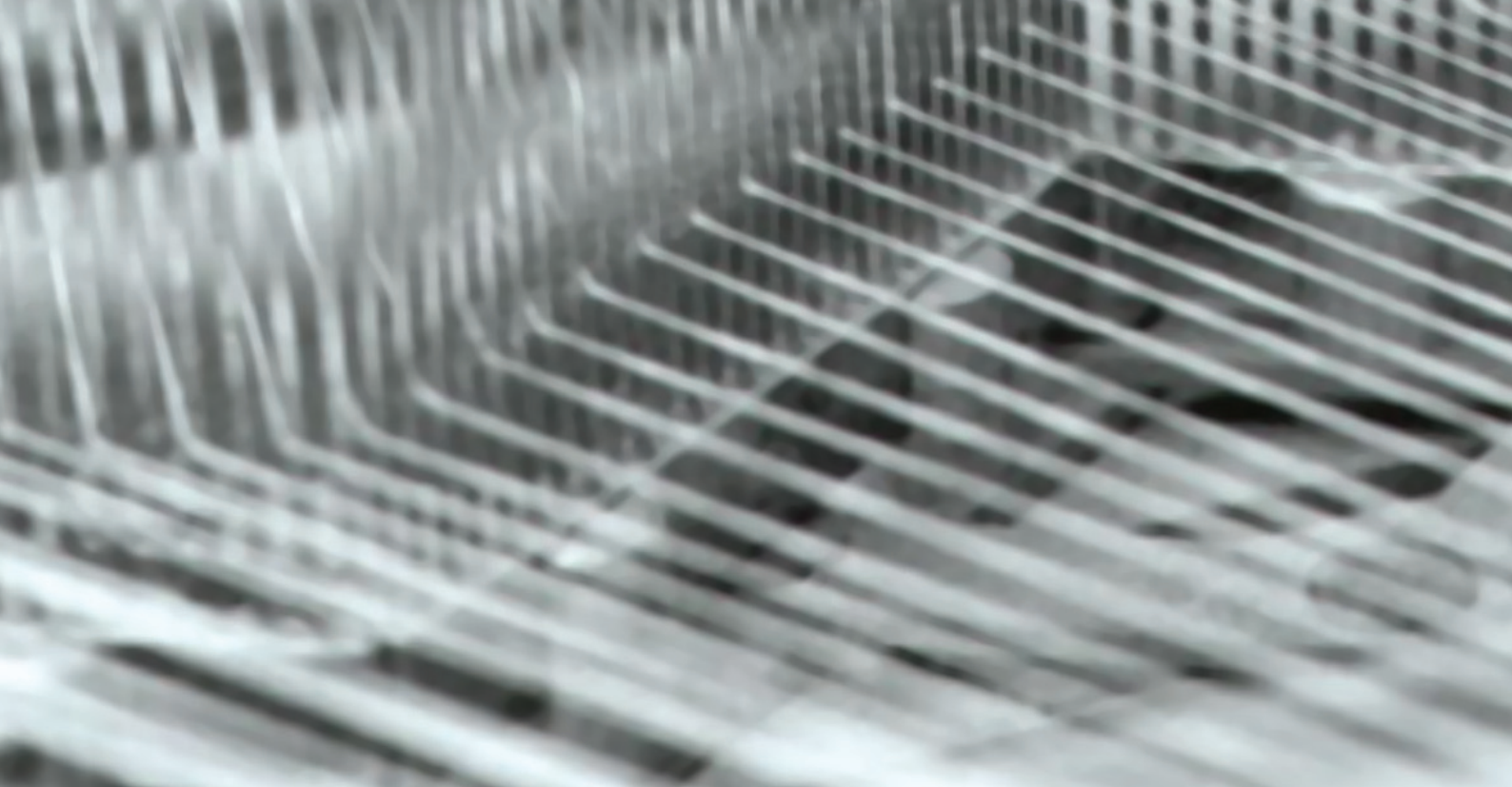


I found at Ulster Weavers was an MD who was passionate about being world class and a group of young talented Managers who were full of enthusiasm. So once the direction was given and commitment demonstrated they were totally determined to make Ulster Weavers world class.

“This success was not based upon the brightest most talented MBAs from the best business schools. This was based upon determination, hard work and commitment. Once the team became committed the speed of progress and improvement was remarkable. It was down to people’s determination in the face of the industry, environment and some people barriers.”

The future

“The vision for this business,” declares Declan Gormley, “is that it will set no boundaries for its growth.” He concedes that, “We have a lot of programmes of change ahead of us.” But you can bet they’ve every chance of succeeding.



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