Productivity up 30%+ and more gains to come

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Comace Interior Fit Outs profiles its experience in advancing the business, four years ago, to using PCs on the factory floor as well as time tracking software and, recently, advancing to job scheduling software. It profiles six productivity initiatives Comace is currently employing to progress the business. This article interviews Paul Williams, the owner and managing director of Comace in Adelaide, who says that his business philosophy is simple: "we focus on productivity, watch profit growth and reinvest the returns back into the business".

"We invested in PCs on the factory floor and time tracking software some four years ago and to date this has netted us, well in excess of a 30% improvement in our factory productivity and chargeable hours, which has made a substantial improvement to our annual profit," said Paul Williams. "Manufacturers are welcome to visit my factory to see our system and to discuss our gains.

"We expect that Comace's productivity will increase significantly more over the next two years through six productivity initiatives currently being employed – which will take our business to the next level."

The six initiatives include:

1. management and administration staff now log on to all their jobs throughout the day on their PCs – time tracking software does the time tracking and reporting;

2. installers and site workers text in from their cell phones their day-start and day-end times for their wages – as well as their start and finish times on all jobs throughout the day. This automatically updates live both the payroll reports and job costing;

3. production management now use job scheduling software to plan daily and weekly production. The software advises precise planned start and finish times, to the minute, hour and day, of all projects, all stages of projects, and all jobs;

4. external manufacturing advisers carry out six monthly formal audits of productivity;

5. the management team network with 20 or so other local manufacturers specifically on factory productivity;

6. proactive involvement in progressing the the development of labour management and scheduling system.

Q: Why did you decide to time track your management and administration staff?
A: I considered that if we are willing to measure and time track our lowest paid employees why wouldn't we time track and measure productivity and efficiency of our highest paid employees? The answer seemed obvious to me – we had to do it.

When I first considered this idea I ran it by a colleague of mine, who owns and runs a large manufacturing business, for his thoughts and advice. He did not say much at the time but obviously gave this some thought because, by the morning of the next day, his management and administration staff were logging onto all their jobs on their PCs and times were being tracked and reported.

He has subsequently advised me that time tracking his management team has proved beneficial to his business as he can see what managers do throughout the day, which keeps him informed, his managers are more time conscious and they are better managers of their own time.

In our case, at Comace, we have 11 people working in the office area and that is a considerable amount of both overhead or productive time and costs that needs to be accounted for.

On each manager's PC we time track their work in three areas:

1. Measurement one:
drumming up more work for Comace (ie contacting more prospective clients and getting more jobs to quote). Jobs include:
a) client liaison on particular or potential works quoted;
b) drumming up works through client contacts and referrals;
c) actual tendering and costing on prospective works.

2. Measurement two:
working on actual jobs currently running though the business – when time can be contributed to a job number (in other words – chargeable and potentially chargeable to the client). Jobs include:
a) actual hands-on organising or project managing the works;
b) contract management (paperwork) or systems management of the actual works;
c) OH&S management – in preparation of works starting or on site;
d) quality assessment in relation to actual jobs while manufacturing or through site visits when installing.

3. Measurement three:
general overhead jobs for each manager and administration staff. Jobs include:
a) general overhead jobs relating to each employee's role;
b) marketing areas – touching base with past or potential clients;
c) HR management areas/issues;
d) training needs or organising the up-skilling of employees;
e) strategic work (working on the business);
f) general administration and office paperwork that needs to be done;
g) management or production meetings, etc.

Q: What are the main benefits you have witnessed in time tracking your management and administration staff to date?

A: Managers have become far better at managing their time. They can see their daily and weekly times accrued for each and all jobs. I can also meet with each manager at monthly performance reviews and view and discuss the time focus they are putting into different aspects of the job – drumming up more work; actual jobs running through the business and general overhead jobs.

As a management team we can all be more conscious about focusing on being more productive in these three areas and on all jobs and throughout the day. We can also invest more hours on drumming up more work. In our strategic plan we have a set a goal to increase turnover by 100% within four years. The only way we will achieve this goal is if, as a full management and administration team, we are, firstly, highly time efficient in all work areas and, secondly, we focus and invest more hours on drumming up more work.

Q: Why did you invest in cell phone texting of site workers and installers?
A: There were three main reasons:

1. we wanted to provide all our clients on 'charge up work' with a highly accurate and highly detailed time sheet and account for hours (ie stating day, staff name, job type, start time, end time, duration time and total time daily and weekly per project). That way, all our clients have, in front of them, all the information they required to be comfortable that we have charged them accurately and to the minute, ie clients can see and confirm there is no rounding up of time and no times charged based on guesswork on staff's time sheets;

2. our site worker and installers are much more time conscious and focused, which enables them to bring their jobs in on or below budgeted time. That is, these staff are much more productive on jobs, which creates real value for our clients;

3. we wanted to eliminate all the wasted hours and downtime involved in factory and site staff filling out manual time sheets every day as well as all the hours administration staff were putting in times into our payroll report and job cost system every day. Cell phone texting requires no administration time at all as it automatically updates live both our payroll and job cost.

Q: Why did you invest in job scheduling software?
A: We have 26 staff across our three distinct teams plus,

like many shop fitters and other manufacturers, we also have all our suppliers, outside contractors, and many clients and projects that we juggle all at the same time.

Our old manual system of scheduling on whiteboard, spreadsheets and pieces of paper, which we used for 28 years, never worked. We could spend 15 to 30 minutes finalising next week's plan and, within five minutes of finalising the plan, the phone would go and one job would change the entire plan and we would need another 15 to 30 minutes to rethink, re-calculate and rewrite. It became uneconomic to continue to update the plan every time something significant changed throughout the day and therefore for most of the time our production plan was not current and not accurate.

Our new scheduling software is quite amazing – it calculates all current and forward work and, in doing so, factors in our current constraints, ie staff, standard hours, overtime available, machines, job sequences, etc and provides us with a job schedule for today, this week and next week – in both Gantt chart calendar form (ie, a type of bar chart that illustrates a project schedule) and Word document form listing all our projects, jobs, staff, work centres and their respective planned start and finish times.

Q: What are some of the benefits of job scheduling software you have noticed to date?
A: We had scheduling software installed and up and running in one day. The

installation and set up was done by the supplier, which was less than an hour, and our management's learning time and downtime has been minimal.

With 100% confidence, we can provide our clients with a guaranteed commitment of the time by which we will complete their projects. This has enormous value to Comace's marketing message and competitive advantage and also enormous value to all our clients, particularly our large retail clients who need to open their shops and businesses on a set date (ie they can not afford to open a day late).

The production schedule shows our factory staff, management and all other parties the precise times by which they must start and finish every stage of every project and every job. Staff, management, suppliers and contractors know that if they run over time on their job by one minute then the schedule turns red, which highlights that the job is now running late and enabling management to act immediately.

Our production meetings are much more valuable. All management have had time to view and assess the production schedule in advance and accurate times are discussed.

Many hours of management downtime are saved each week on what we were previously doing manually using whiteboard, Excel spreadsheets and pieces of paper.

Previously, when a client requested to change the timing of his job, it could

cause significant movement of product in the factory and office replanning, which then caused significant downtime at significant cost. Now, when clients phone requesting a significant change to the timing of their job, we simply "drag and drop" one project or job directly on the Gantt chart screen and the software reschedules itself and advises us of the impact of the requested change. Management can then advise clients that, for example, "this would mean we would then need to deliver four other good clients' jobs late so, this time, I am sorry but we can not help you with changing your original 'required by date'".

All management, factory staff and installers can see the chart and have a clear goal of what jobs we expect to complete hourly, daily and weekly. No longer do we get to the end of the week and hear of the list of jobs that were not completed (ie, that we planned to have and should have had completed) and no longer do we get the usual list of excuses why these jobs were not completed.

We now have an accurate hourly, daily and weekly production plan so it is easy to keep all management and staff focused on doing their part by the agreed hourly milestones. Then we are able to successfully deliver on our client commitments and our plan.

We run several production scenarios weekly before choosing the best one to run with. We can also schedule nominated jobs backwards from the client's 'required by

date'. This functionality is amazing as it shows us the size of the production hole we have in the factory that we could fill up with more jobs, which allows us to make additional sales without compromising delivery commitments to existing clients and jobs in the system.

We have seen significant gains in factory efficiencies using job scheduling software as the downtime factory staff used to have waiting around for paperwork from the office, supply of materials and previous factory jobs has been largely eliminated.

Q: Why do you get external auditors to assist with assessing and refining productivity?
A: I asked myself, if labour is our core business, which it is, why wouldn't we get specialists to help us periodically audit and advise on our core business?" The answer seemed obvious to me – so we do it.

With the labour management and productivity software that we use, we also use Empower's productivity factory auditing service. We have had three full audits to date, which I schedule about every six months. Each audit provides me with a good "where is Comace's productivity at now" report, which includes a good list of Comace's 'to dos' to enable us to continue to progress productivity initiatives in our business.

If you think about it, it is very difficult to find advisers with available experience to assist with sound manufacturing and factory productivity advice. Most accountants and business

advisers don't understand our industry and business well. In contrast, the owners of Empower have been involved in manufacturing and software for 20 years and now build systems for and advise well over 100 manufacturers, so they know our industry well. They have also been heavily involved in Comace's business for over four years, so they have an in depth knowledge of our business as well.

Q: Why do you network with other manufacturers on factory productivity?
A: Currently there are well over 100 manufacturers using Empower time tracking software throughout Australia and New Zealand – 20 in South Australia alone. Toolbox meetings are held with all South Australia users of Empower where we get together and share ideas

to progress our factory productivity as a group. In addition to the Toolbox meetings, I regularly meet with other Adelaide based manufacturers using our productivity software to ensure we keep abreast of all ideas and advancements. I also regularly have manufacturers through my factory and I will shortly be visiting three large manufacturers in Auckland to view and discuss their operation and time tracking and scheduling systems.

All 100 plus users of Empower software are in a very effective 'manufacturers' productivity club' where we can regularly meet or phone to discuss common issues and we share our productivity ideas for the betterment of all in the group. This involvement with other progressive manufacturers continually proves to be

valuable to us. I pick up many great ideas walking through other factories and talking things through with other manufacturers.

Q: Why does Comace proactively progresses the development of your time tracking and productivity system?
A: Comace's production and finance management are regularly and proactively in contact with our time tracking and scheduling software provider. We regularly advise on and request new developments to our systems functionality and reporting.

Over 100 plus manufacturers use the same time tracking and productivity software – so 100 plus management teams all contribute their ideas and advice to improve our time tracking, scheduling and productivity software. These

improvements all 'go into the same pot' and come back to all of us in the form of quarter updates of new more advanced software, which enures we keep progressing on factory producitvity.

Time tracking software is inexpensive. My advice to you, as a manufacturer, is invest two to four days in your business setting the software, because that is all it takes, and invest a small amount of money and you will have time tracking software up and running in your factory. You will see the real benefits to your business yourself within a few days.

If any manufacturer wishes to talk to me or my production manager Anthony about how, where or why we have made significant gains in our factory using time tracking and scheduling software, we welcome a phone call and discussion. ●