

GINSTERS LTD

Cornish savoury food maker Ginsters has used a combination of people development and automation to double production and increase margins.

OBJECTIVES

Five years ago sales growth at Ginsters was constrained by low equipment capacity and labour productivity. The company introduced weekend working and, a year later, moved from two shifts to round-the-clock production. But production struggled to keep up.

Now output is over twice its level three years ago – without increases in headcount or waste, with sustainable quality and, says production director Ray Hanly, “in a calm environment.” It is the result, he insists, of training, development and capital investment.

SOLUTION**Ginsters, Callington**

Ginsters has made Cornish pasties at Callington, Cornwall, since 1969. This leading savoury brand has a turnover of £220 million at retail selling prices for its pasties, slices, pies and sausage rolls, deep fill sandwiches, savoury wraps and such snacks as buffet bar and pasta salads delivered round the clock to motorway service stations, forecourts and convenience stores throughout the UK. Ginsters also sells to Marks & Spencer, Tesco and the Co-op chains under its own and store-label brand names.

Ginsters, part of the Samworth Group since 1978, employs 840. Some 340 of these work at its Callington site. The rest are in the company’s van sales fleet, its 15 sales offices and two distribution hubs.

Ginsters is growing at 12 per cent a year. It is expanding capacity to match. Over the last three years capacity has doubled, and the output it is consistently achieving runs at about 98 per cent of the new capacity. Hanly says that, over this period, the company has cut material variances by one third.

People

Hanly offers two explanations for Ginsters’ rise in productivity. One is automation (below); the other is people: “We have made people accountable and held them responsible for what they are doing.”

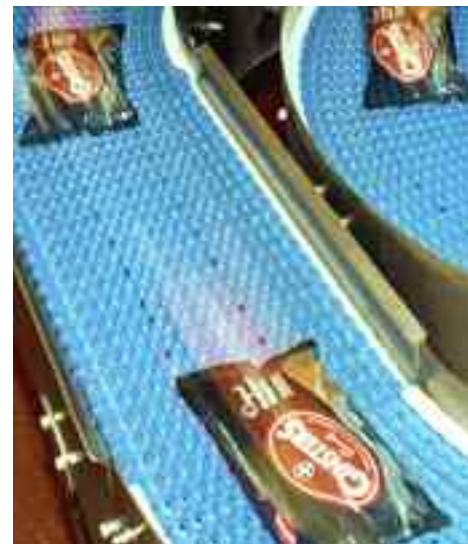
Best practice in:
High performance workplace

Sector:
Food and drink

Size of firm:
840 employees
(340 work at Callington)

Location:
Callington, Cornwall, UK

Website:
www.ginsters.co.uk



“We think every person has the potential to get there. What we’ve got to do is give them the route, but they’ve got to have the drive and energy to make sure that they get there.”

PHIL CLARK – MANUFACTURING MANAGER

Ginsters is Cornwall’s largest private employer. It offers private health and dental care, final-salary pensions and a profit share scheme on top of competitive wages and salaries.

In the last two years Ginsters has accepted that it needs to match these benefits with more careful recruitment, better attention to personal development and better succession planning.

Shortly after Hanly’s arrival in September 2003, he recast the management structure to cut the number reporting to him from 13 to 6.

He appointed one manufacturing manager for each of the four shift teams that run the factory by turns through the week. The four 12-hour shifts are Monday to Thursday, Friday to Sunday, Tuesday to Friday nights and Saturday to Monday nights.

The same team works on each shift: a manufacturing manager; area managers for the preparation, production and packing; one production and two packing team leaders; a technician for each of Ginsters’ four production lines; and four to six operators per line. These are supported by engineering, health, safety and environment (HSE), supply chain and HR managers.

In filling the senior roles Hanly promoted internally where he could and recruited the rest externally. Bringing in external managers was a break in Ginsters tradition, but Ginsters balanced any insecurities this may have caused by reintroducing engineering apprenticeships, sponsoring suitable workers for engineering degrees and making promotions from the shopfloor into management roles. For example, the HSE manager is a former hygiene operator turned charge hand.





KPIs

Manufacturing managers are responsible for mentoring and coaching the area managers and team leaders on their shift. They are also responsible for their shift's performance against a set of key performance indicators (KPIs). The KPIs are built from five business-goal 'pillars': people, quality, HSE, cost optimisation and customer service. Each of these pillars has two senior-management champions – one each from production and HR or other support function – to defend their pillar against neglect.

The manufacturing manager feeds KPI results back to his shift at weekly team meetings: "The shopfloor can see how they can contribute to the bottom line," says Hanly.

Succession planning

For Ginsters, succession planning is now a visible process that motivates the workforce to develop their own careers in ways which help them and the company.


The aim for all training is that everyone in the plant can, if necessary, step into the shoes of the next role up the chain. If a team leader goes on holiday, says Phil Clark, manufacturing manager for the four-day shift, Ginsters does not want to have to call in a team leader from another shift. "We'd like to have a technician do that."

The first personnel-development step, says Clark, was to abolish the charge hand role and encourage the charge hands to become team leaders.

Ginsters took all 29 charge hands out of the business on a team-leader development day. Ginsters used this to assess what skills and aptitudes they had and to identify what training and development they would need to make them team leaders.

Ginsters is now moving towards the next stage, in which every worker sits down with the manufacturing manager, personnel and area managers to work out a personal development plan. Ginsters uses personal development maps (PDMs) to give each worker a personal development plan for six months or a year ahead. The PDMs set out job description, bakery objectives and personal KPIs agreed with each individual to make sure they understood exactly what will be expected of them.

Says Clark: "We think every person has the potential to get there. What we've got to do is give them the route, but they've got to have the drive and energy to make sure that they get there."



Ginsters is putting the senior management team through a few exercises too. The first aim of Ginsters' 'platinum' management-development programme is to promote teamwork. Second, the manufacturing managers need to be aware of and learn from each other's skills. Third, if the senior managers are coaching and mentoring the area managers and team leaders, says Clark, "it was important for [senior management] to understand what they were going through."

Employees and managers alike have access to the group's open-learning academy. It houses five internet-connected computers and runs e-learning induction, food safety and health & safety courses, and IT and other vocational and non-vocational learning and training programmes.

Automation

Ginsters has consistently invested in equipment over the years. Last year it invested £24m – £4m in the Lynher bakery's four manufacturing and three packing lines. In October 2003 Ginsters introduced a robotic arm to pack the plastic-wrapped pasties into boxes on packing line 3. It redesigned packing lines 1 and 2 with semi-automated box erectors and label applicators. And it replaced line 1's manually controlled oven with an automated oven which allows easier, more consistent control of temperature and humidity.

Ginsters has two main reasons for investing in automation: lowering cost and achieving consistent quality. The payback on the line 3 robot is less than two years, says Hanly. The oven and the semi-automation on lines 1 and 2 will pay back in less than three years.

Ginsters formed close relationships with two main suppliers for its automation programme. Operators were closely involved at every stage in the equipment's selection, specification and installation and visited packaging supplier Sig Bosch's factory in Holland. The benefits of this combination of new equipment and better trained, more committed workers have appeared in reduced waste and downtime.

Hanly says Ginsters had to overcome some resistance to the automation from operators and managers. The workforce had misgivings about the packaging installations but, reassured that they would not make anyone redundant, were glad to relinquish non-value adding work.

Widespread consultation also allowed the operators to articulate the difficulties they experienced with the existing equipment.



Supply chain

Ginsters' demand peaks at Christmas and Easter and it uses promotions to fill capacity at other times. Promotions can increase demand on suppliers tenfold, and the need to meet these surges makes strong relationships with suppliers vital.

Ginsters sources 70 per cent of its proteins in the South West region. Local sourcing, says supply chain manager Eoin Gillespie, mean fewer road miles. That in turn means increased flexibility and shorter lead times, plus better freshness and quality; and local kudos from investment in the local rural economy.

One farm has invested £2m in an expansion over the last year as a result of its Ginsters business and is employing more people as a result, says Ginsters senior purchaser Carol Gale.

RESULTS

Apart from its capital investment, the main costs associated with the changes have been the extra people brought into the business. This resulted in a rise of between a fifth and a sixth in indirect costs.

Ginsters' investment has paid back in a 33 per cent reduction in waste and a substantial rise in sales over the last year without any increase in the hourly wage bill and a decrease in downtime.

CHALLENGES

Hanly admits he didn't anticipate the cultural change automation would mean for employees. There was shock, says Hanly "and a bit of fear", not just among operators.

Before the robot was installed, managers supervised six to eight people. "They were relatively easy to manage and move around," he says.

The robot and automated oven replaced these interactions with a human-machine interface (HMI) screen. "All of a sudden they were relying on having the right skills [to ensure] that people could operate the equipment." Hanly says Ginsters hadn't prepared its managers for the change in management technique this would require.



THE LAST WORD

Ginsters has no intention halting its forward progress in automation or people development. It plans a big investment in machine vision systems for automated inspection of cooked product. And it is investigating how to introduce annualised hours for its workers.

“I think the plans for the future are extremely exciting. The opportunities available in sight are exciting, the prospects of lifting our capacity 10 per cent, year on year, are exciting. It’s just exciting times ahead,” says Hanly.

This case study was developed in partnership with Cranfield University School of Management.

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