

Case Study

Meltham Mills Engineering Limited 52 employees £3.5m turnover based in Huddersfield



Nigel Dyson, General Manager

'The MAS Specialists opened our eyes to what could be achieved. We have now secured long-term relationships with key customers and have significantly improved our supplier rating status. In addition a new range of products are currently being prototyped for approval. Without MAS support and expertise we would probably not be trading now.'

Company Profile

Created from the famous David Brown / JI case tractor factory near Huddersfield and operating for 12 years, Meltham Mills is a precision engineering company, manufacturing drive train components for world famous names in the earth moving and agricultural vehicle sectors. As well as making the gears, drive shafts and hydraulic motor components, the company also processes the parts for extra hardness, wear resistance and overall toughness resulting in components that are highly robust, long lasting and fuel efficient.

The company's comprehensive metal heat treatment facilities can process small batches of one-off components quickly and efficiently, enabling them to offer a one-stop-service for manufacturers of small and medium sized batches of high precision gears and wear components.

Meltham Mills got in touch with MAS in 2003 following the recent appointment of Nigel Dyson as General Manager. Nigel quickly identified changes in the external environment that required an overhaul of the company's culture, methods and structure in order to survive and prosper. The most critical change being outsourcing to Asia. Working with MAS Associate MCCR & Associates two projects were delivered at Meltham Mills. The aim of the first project was to improve cash flow, efficiencies and create a company that focused on its customers. This was followed by a second project to tackle cost reduction and introduce new strategies and methods of manufacture based upon flexibility and quick response.

Key Achievements

As a result of the two projects, Meltham Mills have secured long-term relationships with key customers and have significantly improved their supplier rating status. A new range of products is currently being prototyped and submitted for approval. Capacity planning has been introduced to better plan the load on the factory and give reliable delivery times to customers. The company is becoming outcomes focused with everyone working together to meet customer requirements.

- Gross value added improved by £561,000
- 7% reduction in labour cost per unit of output
- 50 jobs safeguarded
- 7 jobs created
- £100,000 increased sales

The project has also helped the company to improve delivery performance, equipment utilisation and shop floor visibility for flow of work.

It has also strengthened the company's financial position enabling it to commence investing in the future.

Making it Happen

The first MAS project began with a full review of costs, controls and operating efficiencies. This evaluation was undertaken with Nigel Dyson to ensure that the agreed priorities for action were effectively aligned to company needs.

Work began with the strengthening of the company's financial position. Cash flow difficulties were reduced by tackling the high number of outstanding debts and introducing new controls and procedures to quickly identify and prompt outstanding payments.

The project also tackled supply chain issues. Introducing tighter controls on the purchasing and delivery of raw materials, improved cash flow. The management of sub-contractors was reviewed and Meltham Mills were able to significantly reduce transport costs.

The second MAS project tackled the future survival of the business. As part of a cost reduction programme, a major customer had served notice of their intention to source high volume components from Asia. The specialists from MCCR worked quickly with

Meltham Mills to develop new strategies and methods of manufacture. Meltham Mills refocused on value adding activities and providing the flexibility and response that comes from short geographic chains of supply.

The percentage of available manufacturing time devoted to setting up very short production runs was identified as a major cause of restricted productivity and slow response times. Negotiations with customers to ensure that they purchased economic batch sizes resulted in improved margins for Meltham Mills and service for customers.

Management information systems were reviewed and new systems created to facilitate better forward planning. The management team now has access to simple but effective capacity and cash flow information, and are now analysing costs product by product to identify further opportunities for improvement.

To improve customer focus, current employee skill levels were assessed and training given. Operational processes were re-focused on customer needs rather than the management of part of the operation.

Highlights of Achievements

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- 7% reduction in labour cost per unit of output
- 50 jobs safeguarded
- 7 jobs created
- £100,000 increased sales

What the Meltham Mills people said:

'Not yet perfect but getting there with help from MAS' **Ade Franklin, Production Team Leader**

'We were doing too much work for not enough sales' **David Bailey, Planning Team Leader**

'There is now a realisation of what counts' **Granville Wilson, Procurement Manager**

'We wouldn't be here now' **Ade Franklin, Production Team Leader**

'We have learned to challenge everything and work for savings' **Granville Wilson, Procurement Manager**

About MAS

MAS is a national DTI initiative, delivering practical, hands-on manufacturing advice and expertise to help you improve your performance. Delivered by experts with real-life knowledge and experience, MAS has already given advice to hundreds of businesses in Yorkshire & The Humber. Why not see how MAS can help your business?

For more information

If you feel your business could benefit from MAS, why not complete your details below and fax to us on **0113 368 5261**. You can also contact: enquiries@mas-yh.co.uk or visit the website www.mas-yh.co.uk

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Name: _____	Job Title: _____
Company Name: _____	Nature of Business: _____
Address: _____	
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I would like MAS to contact me to discuss (please tick box/es):

- | | | |
|---|---|---|
| <input type="checkbox"/> Hands on manufacturing improvement | <input type="checkbox"/> Product development | <input type="checkbox"/> Continuous improvement |
| <input type="checkbox"/> Technical and materials issues | <input type="checkbox"/> Managing organisational 'change' | <input type="checkbox"/> Workforce training and development |
| <input type="checkbox"/> Lean manufacturing | <input type="checkbox"/> Process analysis | |
| <input type="checkbox"/> Manufacturing control and factory layout | <input type="checkbox"/> Improving workforce productivity | |

- I would like to join the Manufacturing Network and receive a free monthly e-newsletter about funding opportunities and events

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