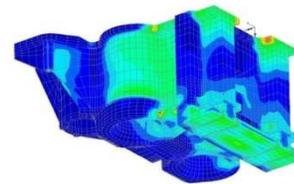




Communication in an international manufacturing company



September 2010

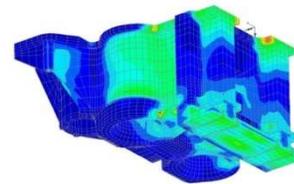


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Introduction to Best Practice



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Communications

- Importance of
- Preparing the culture
- Keeping the momentum
- The art of listening
- The wasted meetings
- Stand up meetings
- Full factory meetings
- Apprentices
- The accountability
- Business controls
- Formal meetings
- Published checklists
- KPI's
- Team Briefing
- Union Meetings
- Publishing information
- Toolbox meetings
- Continuous improvement
- Being asked rather than being told



Importance of effective communication



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- One source of credible information
- Two way interaction
- Removal of festering rumours
- Motivation
- Full understanding of positions
- Consistent source
- Regularity
- Maintaining interest and momentum
- Feeling involved



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Preparing the culture

- Convincing managers
- Training managers
- Verifying managers are being effective
- Establishing formal channels and routes
- Explaining the benefits of the communication
- Preventing distortion / ambiguity / bias
- Ensuring union representatives are part of the process
- Measuring the response
- Undertaking independent research / surveys



The art of listening

- Loud mouths
- Employee mouthpieces
- Bullies
- Professional training
- Roll playing
- Videoing individuals in role plays
- 80% listening, 20% talking
- Not everyone is good at expressing themselves
- Some people feel uncomfortable talking to Directors
- Listen right to the end of what people are saying



Listening !!

Tits

Like

Coconuts



Listening ...

Yes, TITS LIKE
COCONUTS

and

Blackbirds

Like worms!



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The Wasted Meetings - Golden Rules

- Stop them all!
- If you must call a 15 minute decision meeting
- Consider stand up meetings
- Lock the door one minute after the start time
- Place a guillotine on the length of the meeting
- Agree the decision which need to be made at the meeting
- Have one formal and thorough Board Meeting each month
- Resolve conflict outside the meeting (**Machiavellian** approach)
- Everyone take notes of their own actions – they should be capable
- Stop writing minutes - they encourage a blame culture



Publish Checklists

- Ensure everyone is keeping checklists
- Constantly review the lists for relevance and time management
- Encourage the sharing of checklists
- In turnaround situations
 - Publish the Board's checklists
 - Each board member to say what they are doing to influence cash during the next week



Checklist Week One



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Action	Improvement	Corrective Action
Communication	Yes	Weekly presentation
Controls	No	Reduce signatories
Key Numbers	Some	Produce quicker
Cash Forecast	Yes	Compare with last weeks
Order Position	Yes	Challenge salesmen
Despatch Plan	No	Visit the warehouse
Purchasing	Little	Personally sign all orders
Credit Control	Yes	Report the manager directly
Creditor Control	Yes	Agree payment priorities

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KPI's

- Essential planning, monitoring and communication tool
- Not just numbers but graphs
- Add short description to explain variances
- Publish promptly and encourage questions
- Publish the annual budgets for the KPI's with assumptions
- Hand out KPI's at toolbox meetings
- Chairman of the Shop Stewards sign with you



Team Briefing

- The most useful tool for communication
- Must be a company commitment
- Importance of a consistent message
- Local interest points to be added
- Opportunity for questions
- Response to questions must be considered but replied promptly
- Skills of junior managers in presenting may need improving



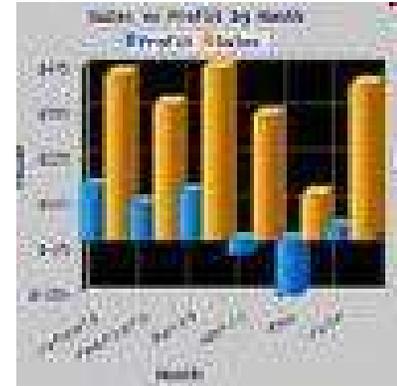
Union Meetings

- Union should be a business partner
- Effective communication tool
- Use of full time officials
 - Regular meetings with management
 - Shop floor presentations by officials
- Fast track “open door” policy to representatives
- Monthly locked door meeting with MD
- Training of shop stewards in:-
 - Employment Law
 - Communications
 - Health and Safety



Publishing Information

- Use the toolbox and back up with a notice
- Ensure notices are consistent
- Take down old notices
- Try to stop the comedian scribbler
- Wait a day before publishing!
- Keep notices relevant
- Have notice boards for key topics
- Personally sign each notice (never pp and never photocopied)
- Have a board for “employee’s use”
- Read and re-read everything – look for errors, and ambiguity
 - “Mr Parkin has left ... Fired with enthusiasm”



Toolbox Meetings

- First one is the worst
- Fear of foreman addressing his employees
- Importance of being prompt and regular
- Not required every day
- Issues with shift patterns (nightshifts)
- Use toolbox meetings first, notice boards second
- All attendees to sign attendance at the meeting
- Use in transmitting H&S information
- Try to get a two way interchange
- Maintain momentum, enthusiasm and interest



Talk Shop!

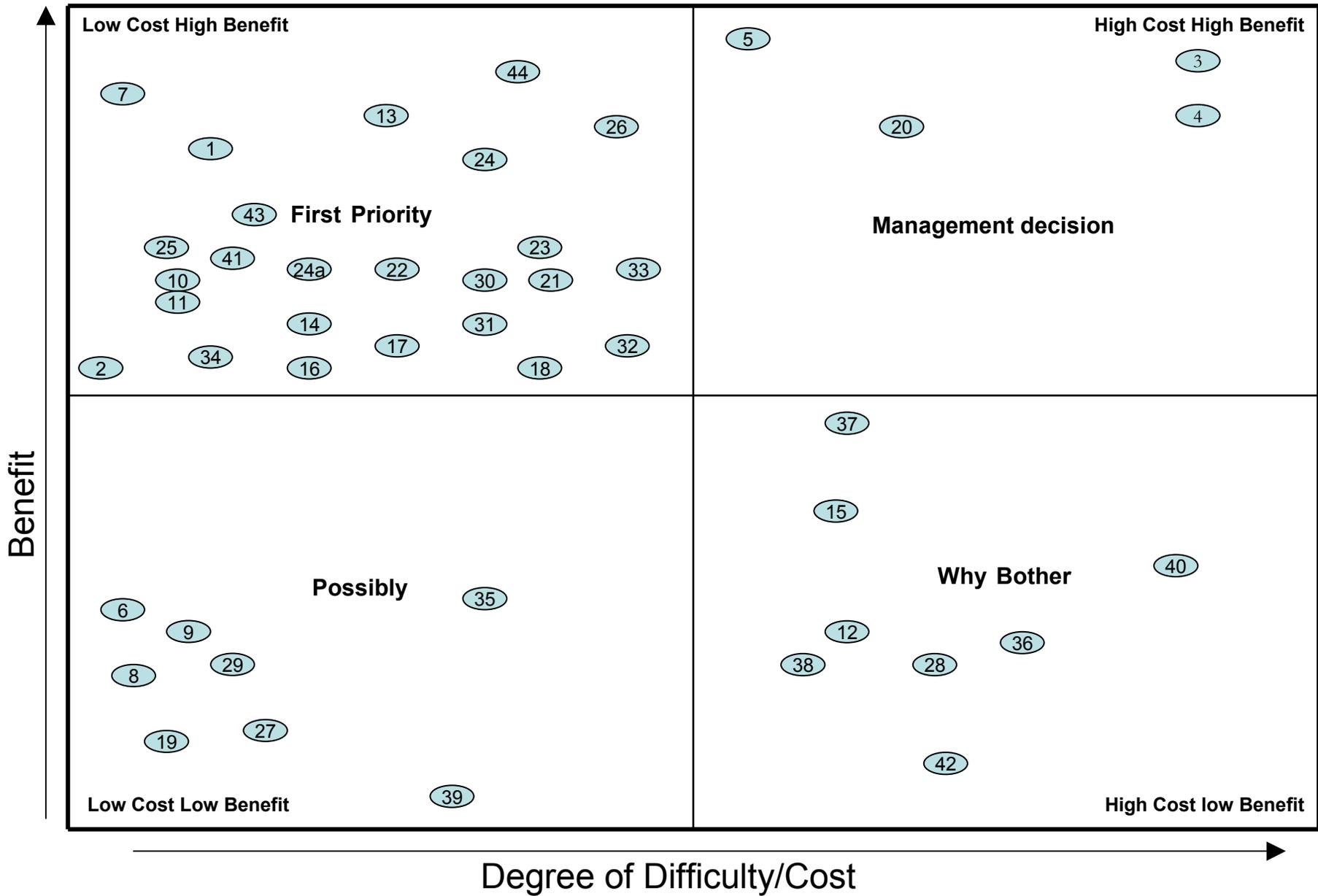
- No reports, no visit reports, no internal e.Mails!
- Get people talking on the phone, in the car, at night
- Talk to suppliers, find new suppliers (dual credit lines)
- Use trade associations and networks to obtain better intelligence
- React instantly to quality issues
- Walk the factory and the offices four time a day
- If its bad – tell them!
- Talk about the KPI achievements
- Stand up and tell employees when work is short or new orders received



Continuous improvement

- “Ask the Managers – they get paid for this”
- Start off with a “soft” team with easy gains
- Implement most of their suggestions
- Publish the results of the ideas into:-
 - “Go Ahead” to “Why Bother” type Matrix
- Set out the objectives and rules clearly
- Respond quickly to the groups’ ideas
- Publish the results and set a date for the next meeting
- Spend some capex to get things started!





Key Performance Indicators June 2009

Indicator	Actual 2008	Annual Target 2009	To Date Target 2009	To Date Actual 2009		Comments / Observations
Annual Sales	£20m	£26m	£10m	£10m	▲	In line with forecast and budget NKT and Hatfield helped
Orders Receipts	£26m	£24m	£12m	£8m	▼	Slightly behind due to slow start to the year
Orders – Value Added	£14m	£10m	£5m	£5m	▲	Different mix of work with higher Value Added content
Conversion of quotes	60%	80%	80%	50%	▼	Lower level of enquiries and more competition being seen
All Contracts to be Cash Positive	All	All	All	All	▲	
On Time Deliveries	90%	95%	95%	95%	▲	Still achieving average target – well done
Reduction in Quality Losses	45%	25%	25%	-22%	▼	Machining error on crusher shaft, re-machining head sheave
Overtime to Clocked Hours	13%	12%	12%	13%	▼	High fabrication overtime levels
Sickness Rate Reduction	16%	10%	10%	-14%	▼	72 days higher than 2008, 24 days lost per week in last quarter
Machining Manufacturing Times c/f Estimated Times	86%	90%	90%	87%	▼	Very poor June performance with Spindle and Valves

Sam Wragg
Chairman JSSC

Kevin Parkin
Managing Director

MD's Team Brief October 2009

1. Workload in all departments starting to diminish – hitting all capital goods manufacturers
2. Alternative work will be found for all employees, some will be addressing housekeeping
3. Highest level of enquiries the business has ever seen -£40m
4. Confident of securing some large contracts in the next four weeks
5. Considerable efforts being directed at new markets and customers
6. The business is well placed for New Nuclear Power work – 1st quotation has been submitted
7. More efforts needed to improve quality – the costs are running much higher than last year
8. Continuous improvement teams are working well and benefits are being seen in all areas
9. Machine breakdowns (511 and 501) have been unfortunate given the hard work of maintenance over the last two years
10. Good progress being made by the apprentices, some are ready to move onto the shop floor
11. Health and Safety Inspector happy with the work done on lifting and tackle procedures
12. Housekeeping standards need to be addressed in the offices and the shop floor
13. More accidents have occurred during the last few months and care is needed at all times
14. There have been several potential investors who have visited the site and shown keen interest
15. Results of “Keeping You Involved” now received – copy of findings attached

Company is committed to implementing their recommendations

Many thanks to all employees who contributed to the survey



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Health & Safety News

Issue 7 - July/August 2009

Safety is everyone's responsibility!

Manual handling can cause serious injury!

Know the weight before you lift it!

Think about how to lift it! Can you do it manually or do you need assistance?

Remember:

Max manual lifting weight before risk assessment is needed is 25kg!

Only use appropriately colour coded lifting equipment!

From September 1st the colour for lifting tackle is brown:



Think for 30 seconds before doing anything!

Ask yourself is it safe?

Last updated: 14.10.2009



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Quality Update

Issue 1 – August 2008



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Think Quality

WO's Raised – The first 6 months of 2008 show a significant improvement in the number of WO's raised during the first 6 months of 2007.

However, 3 very expensive WO's were raised in August resulting in the Customers being advised and major rectification required. These are:-

- Centre lead joints – hole alignment errors in all four segments
- Vertical Member – dimensional problem – customer very unhappy
- Drum for Canada – scrolling 1/2 pitch error

Trends in non-conformance – 62% of August's rectification costs were due to machining errors.

Quality Costs 2008 – Total to date (£49k) which is lower than at the same stage in 2007 (£52k). This however has been adversely affected by the poor results in August.

ISO 9001:2000 – ALL in house audits up to date with NO major non conformances. The 6 monthly LRQA audit was successful with no corrective actions required.

ISO 14001 – Environmental Management System – Implementation going to plan – reviewed by LRQA – now in a position to move to next stage which is a preliminary assessment visit by a selected accredited approval body.

MOC's – still not being 100% completed on an ongoing basis – causing delays in the Final Release procedure. Operators to fill in when each operation is completed.

ROOT CAUSE ANALYSIS – these are ongoing but further concentration and investigation required if we are to get to the true cause of problems – this is essential if we are to improve as a company and reduce our quality costs.

SUMMARY – Improvements are being made in reducing quality costs – Congratulations to ALL. With continuing effort from everyone these improvements will produce the best results the Company has had over the last five years.

Derek Cooper – Quality Manager

Last updated: 14.10.2008



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Date	Time	Supplier m Buffet required & no's	tings Meeting room booked	Contact names	Job Title (if known)	Company name	Location of meeting
w/c Mon 12th October							
Mon 12 Oct 09	11.00am	N/A	N/A			Laing O'Rourke meeting	Dartford
Tue 13 Oct 09	7.15am-10.00am	N/A	N/A			Business Leaders Meeting	Town Hall, Sheffield
Tue 13 Oct 09			Markham	N/A		Board Meeting	DM Sheffield
Wed 14 Oct 09	11.00am	N/A	N/A	Tim McKay		Narec	Blyth
Wed 14 Oct 09	9.00am- 1.00pm	Yes - 23	Markham	Various		The Manufacturing Advisory Service - DM Host Open Day	DM Sheffield
Wed 14 Oct 09	3.00pm	N/A	KP office			Sheffield Business School - Consultancy Project	DM Sheffield
Thu 15 Oct 09	9.30 on	Yes - TBC		Jim Kean + others		Hayward Tyler + customer	DM Sheffield
Thu 15 Oct 09	9.30am	N/A	N/A	Philip Brown / Peter Gannon		Graham Construction / Watsons re: Poole Bridge	Bolton
Thu 15 Oct 09	10.00am	No	KP office	Bob Rae			DM Sheffield
Thu 15 Oct 09	2.00pm	No	Markham	Clr Paul Scriven	Leader	Sheffield City Council	DM Sheffield
Thu 15 Oct 09	2.00pm	N/A	N/A			Planning Meeting	Howden House, Sheffield
Fri 16 Oct 09	09.30am	N/A	N/A			Made In Sheffield Meeting re: dinner	
w/c Mon 19th October							
Mon 19 Oct 09	11.30am	N/A		David Hunt	Director - Commercial Business Business Development	HBOS	
Tue 20 Oct 09	9.00am-11.30am	N/A	N/A	Tom Rumboll	Director	Lloyds TSB	DM Sheffield
Wed 21 Oct 09	9.15am		JC office	Clare Froggatt		Morgan factory	
Wed 21 Oct 09	10.00am - 2.00pm	N/A	N/A			Rebus Creative	DM Sheffield
Wed 21 Oct 09	11.00am-12.15pm	N/A	N/A	Antony Boot	Senior Programme Manager	Rolls-Royce Presentation	
Wed 21 Oct 09	All Day					Common Purpose - Panel Session	Robin Hood Airport Arena and Convention Centre, Liverpool
Wed 21 Oct 09	All Day					Renewable Energy Exhibition	
Thu 22 Oct 09	All Day	N/A	N/A			NOF Energy: Oil & Gas Networking Lunch with Cameron	Wynyard Hall, Near Sedgefield, North East England
Fri 23 Oct 09	10.00am-1.00pm	N/A	N/A	Baroness Warsi	Shadow Minister for Community Cohesion and Social Action		Sheffield Chamber
Fri 23 Oct 09	5.00pm	N/A	N/A			Rotherham Chamber Dinner	

Keeping You Involved - Research with the University of Sheffield

- Research looked at the effectiveness of policies and procedures - safety, quality and environment
- Used questionnaires, interviews and focus groups
- Main factor effecting employee behaviour was communication- both positive and negative points.

Issue

Tool box talks not being used to full potential

Consistency of messages being passed

Communication seen as a way of enforcing rules

Location of documents

Action

Discuss content and combine with smaller morning meetings

More Feedback channels available- close the loop

Benefits, Impact and Action of significant changes

Move documents to a central area

Barriers to Successful Communication



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- Ability of the sender – how much the sender understands of the message they are trying to send
- Content – including technicalities and jargon
- Method of communication – including style and body language where appropriate!
- Skills and attitude of the receiver
- Organisational factors – complexity of the organisation, scope of the organisation
- Cultural attitudes
- Perceptions, prejudices and stereotypes
- Inappropriate target for the message
- Technical capabilities – ICT!



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Ten Memory Joggers

1. Make time for people – open door policy
2. Respond quickly to questions
3. Tell people everything
4. Publish information regularly
5. Use the toolbox meeting not just the notice board
6. Make the Unions a business partner
7. Have 30 minute stand up meetings
8. Take the argument outside the meeting
9. Have a survey of what employees think of your communications
10. React and publish the findings of the surveys



Positive culture development



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