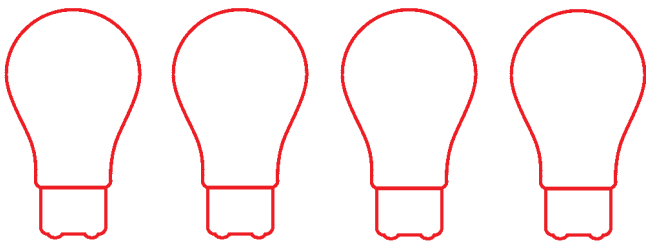


STRATEGIC ASSET MANAGEMENT DELIVERS WORLD CLASS FACILITIES MANAGEMENT



€4m Euros
of energy saved

“The objectives of the Manufacturing Improvement Programme were to enhance the profitability and sustainability of global Manufacturing Operations by reducing energy costs, maximising facilities maintenance cost-effectiveness whilst also reducing the risk of production downtime.”

Manufacturing capacity for a Global organisation had grown rapidly over the last decade in response to market demand, with 9 facilities located in both mature and developing markets across Europe, Asia, and South and Central America.

A feature of this rapid development was a disparate and localised approach to site facilities management. It had become increasingly apparent that there was an opportunity to increase cost effectiveness through adopting a global, corporate approach to manufacturing FM.

The approach

EC Harris was commissioned to conduct a series of audits of facilities management performance and subsequently to develop a global policy and strategy for manufacturing site FM. The team was able to bring cross-sector experience as a facilitator in the improvement of industrial asset and facilities management. Acting as an independent advisor, the firm worked on behalf of the client to develop the capability of both the parent organisation and its FM collaborators under a global implementation programme.

Central to the programme was the creation of a global policy and strategy for FM, which set out a vision of World-class FM. The aim was to achieve an integrated programme combining:

- A global procurement strategy for FM service providers with;
- A facilitation programme to develop the performance and capability of local managers and their FM service providers.

Underpinning the whole programme was a rigorous business case which projected a net cost benefit from the end of the first quarter onwards, with a 200% return on the circa £1 million investment within the first 2 years.

Creating solutions

To establish the 'as-is' situation, an audit template was created to mirror the requirements of the global FM strategy, with audits also completed at the sites. An implementation programme was created based around facilitating progress towards silver and gold audit milestones, typically over a 12-18 month period for each site.

Prior to the implementation, a suite of tools was created, including standard operating procedures, best practice maintenance templates and clear KPIs.

Work at each site focused initially on energy efficiency improvement, as this area provided the most immediate return on investment. This was followed by training and support for maintenance and risk management, and also to embed continual improvement in energy management. At all stages, careful attention was paid to stakeholder management and regional cultural characteristics.

Adding value

A core element of the programme was the creation and roll-out of a suite of best-practice processes and tools for hard Facilities Management. These were developed based on EC Harris templates and incorporated the client's best practice as identified through the audit programme. These encompassed:

- Global hard FM policy and strategy documents, linking FM delivery to corporate objectives
- Standardised key performance indices linked to global and site objectives
- Standard collaborator (hard FM service provider) Service Level Agreement incorporating the FM vision and strategy
- Standard operating procedures for key processes, including risk, work, and life cycle management
- Equipment maintenance strategy templates derived through a streamlined reliability centred maintenance process
- Training materials for all elements of best practice
- External audit and self-audit system to monitor progress towards best practice.

A key challenge throughout this truly global project has been the management of a diverse set of stakeholders across extremely diverse cultures and languages. To achieve this, a formalised stakeholder management process was put in place, with global and local steering committees. It became apparent early in the programme that we needed to focus heavily on communication, particularly to wider stakeholders such as Production Management and Procurement.

The programme has been an outstanding success, delivering a 4-fold return on investment within the first year. Over a 9 month period, a total energy saving of 13.3 GWh, was achieved at the first four sites, delivering a cost saving of €1,017, 000 and equivalent to 7,153 tons of CO². Total projected energy savings following full implementation across all 9 sites are projected to be over €4 million per year, saving approx 30,000 tons of CO² pa. Additional savings are expected arising from reduced production downtime as a result of facilities failure, and increased maintenance cost-effectiveness.

Contact

Paul Stapleton

Partner, Head of Energy & Manufacturing

t +44 (0)1642 343 441

m +44 (0)7747 007 127

e paul.stapleton@echarris.com

Ian Kennedy

Associate, Strategic Asset Management

t +44 (0)161 214 0273

m +44 (0)7810 850 393

e ian.kennedy@echarris.com

w echarris.com/manufacturing