



RENOIR CONSULTING

CASE STUDY

A&P Appledore Ship Repair

After backing a new management team at A&P Ship Repair, in England, Schroder Ventures, hedged their bet, by asking Rembrandt Consulting, the UK arm of The Renoir Group, to have a look at the yard in Falmouth to see if there were immediate opportunities. Working with Rembrandt, A&P racked up additional bottom line profits of £16 million (\$24 million).

OVERVIEW

The UK ship repair business was in a fragile state, and despite high expectations, unions, a traditional confrontational behavioural style, and old equipment, threatened success.

THE ASSESSMENT

During an initial assessment phase at the Falmouth yard, Rembrandt consultants quickly began to understand and quantify the opportunities available to A&P. They looked at: management systems; organisational structure; business processes; performance levels and product/service costs; equipment and yard utilisation; behaviour and cultural issues; technical, supervisory and managerial issues; development and training needs; planning; maintenance systems; outside contractor utilisation; and communications.

FOCUS PROCESS™ & IMPLEMENTATION

It was decided to develop a project based on 'job teams': estimators, planners, supervisors, and union representatives. Rembrandt believed this would ensure buy-in and ownership, leading to much higher levels of profitability.

A&P operates with a core group of employees and relies on contracted labour (up to five times the number of permanent staff) to carry out work. Controlling this workforce is difficult in terms of planning, quality control, scheduling and productivity. Key

to success was excellent communication and new methods were developed and supervisors trained.

Overall yard planning was improved to maximise the work that could be handled and new project control systems were implemented to enhance predictability of completion and ensure that no "surprises" occurred. Business processes were analysed and re-designed, as required, using employee input. As the first ship progressed, the successes were evident, the results publicized, and greater numbers of employees expressed a desire to become involved.

Rembrandt was asked to extend its presence to all three yards, and a new, more commercial culture began, with greatly improved profitability as a result. Gone was the "get it out at any cost" mentality.

KPI's were revised and implemented along with continuous improvement systems. These new, more accurate KPI's also contributed to behavioural shifts as the employees could now believe in the metrics.

"When Schroder's (venture capital) brought you in, we were not pleased. It didn't take us very long, however, to understand what you could do for us, thus the invitation to work in our other yards. The results are obvious." Frank Nugent, CEO

Key Results

- 24% productivity improvement
- 7% reduction in ship turnaround time
- 100% due date achievement
- 267% increase in profitability

THE CAPACITY TO SEE
THE POWER TO CHANGE