

Try something very very different

When Dr Linda Bell took over Servomex, she inherited a firm out of control. Brian Tinham talks to her about her TOC implementation

“It’s always worth looking at new approaches. I know that’s easier said than done, but remember, if you don’t, maybe your competitor already has.” So says Dr Linda Bell, managing director of gas analysis instrumentation manufacturer Servomex (part of the Spectris group), and Theory of Constraints (TOC) convert.

A chemist by training and with a doctorate to her credit, Bell joined Servomex just a year ago, after 17 years with ICI, and found the place in a state of chaos. Yet within three months she had changed the systems, galvanised the workforce and transformed it into a very different organisation. She did so by practising what she preaches, and harnessing TOC methodologies.

Softly spoken, yet analytical and forthright, this is someone who doesn’t adhere to conventional thinking, but in her quiet way researches and pursues better – and persuades those around her to do likewise. This wasn’t a first for her. Bell had already had considerable experience of the renowned Oliver Wight Sales and Operations Planning (S&OP) approach founded on MRP II. She was involved with implementations while heading up ICI’s Melinex Polyester films business unit in the early ‘90s, and latterly ICI’s industrial surfactants organisation, which she ran till its sale.

Her view: “S&OP gave the business structure; it brought order and control and helped us manage the mismatch between supply and demand. But the fundamental problem is it’s increasingly difficult to forecast well enough; markets are too unpredictable. And it’s a case of rubbish in, rubbish out.”

Don’t waste your time?

She’s certainly not saying ‘don’t waste your time with S&OP’; just that you can only go so far with it. Which will cause raised eyebrows among proponents, even shock among those who still see S&OP as revolutionary, and Oliver Wight’s ‘Class A’ as something seriously world class to which to aspire. She does, however, point out that getting to that pinnacle is extremely hard work – and can’t help contrasting it with TOC. “Theory of Constraints is so simple, easy and quick to implement and it delivers very high business performance very rapidly.”

How fast and how much? “We put DBR [the classic TOC Drum, Buffer, Rope] in our manufacturing for standard products last April. We had £1/2 million of overdues, on time delivery performance was 60% and we had high wastage and high inventories of things we

didn’t need. By the end of June we’d got overdues down to £50,000 and on time delivery was 80%. It’s now 95% or above... Lead times, which were 12 to 16 weeks, are now less than four... We’ve done turn-arounds in seven days. It had a very significant impact very quickly. [TOC] is phenomenal.”

What’s more it’s absolutely pragmatic. Bell doesn’t pretend that there weren’t cultural issues, but she does insist that if everyone from the management to the shopfloor is frustrated by the chaos of changing plans, expediting, late orders and the rest you’ll be pushing at open doors. She also believes that you can achieve most, if not all, of a TOC transformation without outside assistance, although she advocates expert help for quick results.

Either way, there’s no substitute for education and training, she says, from top to bottom, because although simple, it is necessarily different, and measures and practices need to change.

Importantly, her experience is that you don’t have to disrupt your existing IT, or go through a major investment programme. You will want to turn off scheduling and manage the purchasing of production materials and their release onto the shopfloor differently, but you can use spreadsheets for that. Servomex is.

In her case, the firm was already due for a SAP implementation to replace ageing Mapics ERP, which fell directly after TOC went live. “Requirements for manufacturing management had been previously planned, so we had to re-scope those,” she says. “There is no TOC on SAP yet so we only have partial IT support here.” But she confirms that as far as ERP is concerned, you’re not making additions: there’s little more to it than getting the system to generate TOC-related reports. “You have to take code out to run TOC,” she quips.

Are there limits? Bell says TOC is particularly good for batch assembly manufacturers but also the process industries, remembering that there are different elements of TOC thinking you can invoke. She concedes that size of organisation can be an issue, but asserts that this has more to do with recognising that if you necessarily have a matrix style of management, then winning over hearts and minds and sponsoring the initiative from the top is all the more important. “You just need the whole management team to focus on it and to buy into it to make it work.”



Dr Linda Bell Servomex

