

Enthusiasm and Commitment

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Since I joined the RNLI I have been fortunate to meet many of you, both on my travels and at the HQ in Poole. The impression that remains is of your enthusiasm and commitment towards the RNLI. As you know the RNLI exists for one reason, to save lives at sea. That is why we are all working together; to support the people, the equipment and the fundraisers in pursuit of our aim.

The purpose of the RNLI Supply Chain function is to be recognised as a world class supply chain service that supports our Marine, Fundraising, Sales, volunteers and staff, in saving lives at sea. It follows that the fewer interruptions and distractions we have that prevent us from getting on with the day job, the better we will all do our jobs and the more effective a supply chain function we will be. Our suppliers are part of the process which is why I wanted to tell you about the steps we have taken since we started applying a “Lean” philosophy to our supply chain function.



Lean is a set of management tools that enable any organisation or team to identify and reduce ‘waste’. We talk about waste in a very particular way and that is the activity that adds no value to the customer, but generates cost to the provider. Waste is a feature of all manner of processes but the good news is that we can all improve matters, without great innovation and expense, by identifying, reducing or even eliminating it from our processes.

The Supply Chain Lean Objective

“we have actively strengthened our ability to plan and prepare for the year ahead.”

My Supply Chain team is looking to increase its capacity and reduce the costs of providing our goods and services. Applying Lean principles enables us to do this, and most importantly, requires the involvement and awareness of our staff. My team has been set 4 objectives - which together we call our True North Metrics. These are to achieve 100% availability, with no defects, using all of our staff and with a 10% reduction in costs.

What this means is that right across the department we need to take the frustration, rework, and errors out of our current practices, which will then give us the time to do more valuable activities for the department and the RNLI. For the supply chain that has meant that we have shrunk work that is mandatory to the most efficient we can make it; we have focused our attention on what really makes a difference, and we have actively strengthened our ability to plan and prepare for the year ahead.



Of course, what this also means is that there will be changes to our jobs, and our teams. These changes are to ensure that what we do happens in a way that delivers what our customers value; and that is, the right items, at the right location, to the right quality, on time.

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What is Lean *not* about?

- It is not about reducing or risking the operational service we provide on the coast.
- It is not a primitive cost cutting exercise.
- It is not a one off event, but here to stay.

In the early stages it is aimed primarily at the RNLI internal processes, but clearly it will take into account our suppliers, who I hope will become involved in the process in the near future.



How can you get involved?

*“Eliminate
the barriers
in our
everyday
work”*

This is where you come in. Lean is about inviting the people who do the work, to work out how to do it better. It is our chance, to work together and create a better service for those that save lives at sea.

Over the coming months some of you may be invited to take part in our lean events in Poole and elsewhere, to sit alongside your colleagues in the Institution and eliminate the barriers in our everyday work; delivery queries, invoice queries, obsolescence, unplanned short notice changes, to name but a few.

This is the opportunity to use all of our skills to better effect.



What have we done this year?

We have looked at the procurement, warehousing, goods in, goods out, and despatch. Most importantly, we have listened to our internal customers, and understood what it is that they are looking for. We have looked at improving their ordering processes, our delivery process, as well as our communications and how we deal with queries.

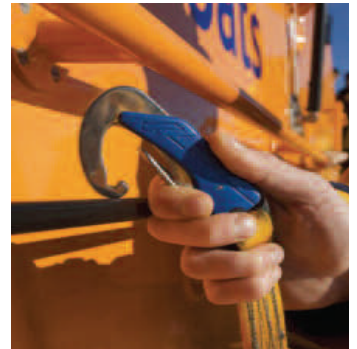
Some of the work to develop our supporting technology is running outside of Lean, such as projects for e-procurement and SRM, both of which will enable electronic tendering, and communication with you, our suppliers, and much improved contract management with our suppliers.

So where are we now?

Early in July we had an excellent Lean event which involved people from all of the strands in Supply Chain; Warehousing, Transport, Procurement and Disposal.

The general flavour of the outcomes has been:

- Improved availability and additional focus on shortages, improving best practice.
- Building in quality to our processes, focussing on key roles.
- Removal of 'waste' and reducing interruptions.
- Improved co-ordination between picking and shipping.
- New focus for internal customer queries.



Introducing your new contacts

If you are a supplier who would like to work with us to help achieve our goals, or if you have a product or service could benefit the work we do, please contact [RNLI procurement](mailto:RNLI_procurement)

The outcome of our Lean event has been a real focus on our key activities:

1. The vendor management part, that ensures our suppliers understand our objectives and are driven to improve and achieve with us. This is our Vendor Manager cell.

Siobhan Hill and Duncan Campbell-Marsh
Email address: vendormanagement@rnli.org.uk

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2. The core part of getting stock in, to get stock out, to *planned* requirements; this includes reviewing the safety stock and scheduling orders. This is our Supply Manager cell.

Shaun Botha, Lorna Wilson and Sacha Murt
Email address: supplymanagement@rnli.org.uk

3. The Customer service, for our internal customers responding to queries and priority calls for stock, plant moves etc. i.e. the unplanned part. This is our Customer Helpdesk cell.

Andy Cardnell, Sally Hadlington and Sue Davies
Email address: sc_helpdesk@rnli.org.uk

4. The refurbishment bit, of getting malfunctioning equipment and returns back to Poole, in order to return it to the supplier for repair. Tracking the quality and repeating failures and with your help, solving the problems of defects for the coast. This is our Returns cell.

Graham Ingram and Bob Doak

5. The team dealing with unplanned requirements, shortages and queries stemming from late deliveries, missing orders and obsolescence. This is our Supply Support cell.

Avril Smith and Dave Pollard
Email address: sc_support@rnli.org.uk

This change has led to the Procurement team relocating to the third floor of the LSC within Engineering; restructuring the teams in warehousing and procurement; changing individual roles and responsibilities. These new Lean 'cells' have subsequently been implemented in October and November and some have their own specific e-mail addresses as detailed above.

What are the Benefits?



In September, we looked at the costs of running the department, with the following results:

- Improved our overall service to our internal customers
- Reduced waste in our processes
- Significant cost savings achieved in 2010 and more for 2011
- Continued reduction in headcount from 60.5 in 2009 to 53 in 2011

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	Target Savings pa	Planned for 2011	Achieved so far
Running Costs	£300K	£360K and Increased activity of £170K	£170K
Capital Costs - vehicle purchase	£200K	£200K plus	£200K
Inventory	£1M	Target to be reset	£0.25M

This fits very well with the new RNLI initiative which Paul Bossier our Chief Executive is heading up, and requires us to firstly, *'Do the same with less', and secondly, to do more with the same.'*

I hope you agree that Lean is a terrific opportunity, but I do understand that it is new and will take time to settle in. If you have any burning questions please talk to me, or David Brook, Director of Engineering and Supply, or Alison Lane, Principal Procurement Manager. In the mean time, please update your contact lists to the e-mail accounts highlighted above.

Thank you

Ruth Gentry

Head of Supply Chain Management



SUPPLY CHAIN

Working with Our Suppliers to Save Lives at Sea