

- *Customer driven strategic thinking and planning*
- *Mission statement*
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- *Teams, kaizen, communication and training*

• Background

The GSM Group supplies metal and plastic components mainly to the automotive and electronics industries worldwide, and has ca.200 employees on 3 sites in the UK:

- *GSM Graphic Arts in Thirsk*
- *GSM Valtech Industries in Wetherby*
- *GSM Primographic in Brecon*

Thirsk produces labels and front panels for the electronics and other industries, Brecon produces large volume metal labels and Wetherby produces sheet metal kits for the electronics industry. The owner manager, Barry Dodd, is quoted as saying, "We are engineers who print".

The company started in 1976 at the Thirsk site and has grown from its roots by a series of well-planned acquisitions and a strategy of continuous improvement in all aspects of its business.

• Strategic Thinking

Barry, the three site general managers and two project managers form the strategy team. Barry says, "There is a time in a company's development when vital decisions have to be made, and if you don't make these decisions, things start to drift away, and thereafter it doesn't matter what decisions you make, you've lost".

He believes having clear goals and objectives is paramount. The GSM Group's mission statement is:

- *GSM Group is committed to supplying metal & plastic components to all industries, realistically priced, with zero defects, delivered when required and produced profitably.*
- *Our customers come first. GSM will always be helpful, friendly, responsive and pleasant to deal with.*
- *Using the latest manufacturing techniques and quality systems, GSM will maintain its leading position in UK industry.*
- *Our team is dedicated to becoming the number one manufacturer in Europe by being more innovative, more cost effective and consistently more reliable than any of our competitors.*
- *By caring for all its team members, protecting the environment and being active in the community, GSM will be regarded as a good neighbour and a fine place to work.*

GSM holds regular strategy reviews, recently spending a whole day discussing how they saw the automotive industry in two years time. Strategic initiatives are then taken forward by setting up a project team containing three to five people, usually including Barry. Progress on these initiatives is fed into the general managers' meeting, held every two months.

• Target Markets and Customers

The strategy at GSM has focused on 2 growth industries that it wishes to be in - electronics and automotive. It has plotted where it wants to be in both of these, and how it intends to get there:

- *In automotive, GSM targeted Ford, already having contacts with General Motors and Nissan.*
- *In electronics, GSM intended to be a "one-stop shop" in badging, labelling, fascias, chassis, etc. offering a bespoke service to the industry, with customers such as Zero 88, Advance International Group and Wayne-Kerr Electronics.*

The strategy is customer-driven, concentrating on what the customer wants now, and what they are going to want in five years time. To find out their future requirements, GSM is close to its customer, with its designers talking to the customers' designers.

In the automotive industry, the key is for a supplier to be involved at the design stage of the car platform. Barry went to Detroit to ask Ford what their needs were from suppliers for the next ten years, listened carefully to their response, then got all management team together to devise their strategic objectives. One of these was that GSM needed an international liaison with a reputable raw material supplier, and 3M was chosen. The strategic plan involved raising GSM's profile in the eyes of 3M, and this was achieved by becoming involved in several outside organisations including local business support bodies, trade and professional institutions and central government. When GSM finally did approach 3M, the two company's business plans were very similar!

The whole process, from visiting Ford in Detroit to becoming a 3M "supported converter" took three years, and GSM was only one of six UK firms to achieve this. It means GSM undertakes vital product testing and is involved in delivering 3M's products to the automotive market. An additional benefit from this strategy is that GSM now has access to the automotive industry and to 3M's technology at least 6 months before GSM's competition, and is supported by 3M in dealings with customers. The result is a win-win partnership relationship, with benefits for GSM, 3M and the customers in the automotive industry.

For the electronics market, customers were saying they wanted one supplier for all non-electronic parts of their products. GSM is now making everything that had originally been made by different suppliers, and has achieved its strategic objective of being the "one-stop shop" for this target sector.

Continuing on down the supply chain, GSM has made great efforts to keep the number of its suppliers to a minimum, searching for single source arrangements where possible. Within these relationships, GSM expects prices to come down as raw material prices ease, but also accepts the reverse situation. Suppliers supply within 48 hours or they cease to be suppliers, and GSM guarantees to pay on the same day each month.

- **Teams and Communication**

The 3 sites are each run by a general manager, each having a large degree of freedom. The sites can, and do, sell to each other, but can buy outside the group if it is more effective.

Every employee, including Barry, has a contract saying they are employed as a team member. There is much emphasis on teamwork, with each site split into ca.6 teams, the overriding consideration when choosing the team leaders being that they must be good communicators – GSM provides all team leaders with training in communication.

GSM spends 1.4% of its revenue on training, and all training is linked to the business plan, with everyone having a personal development plan that is reviewed every three months.

Each team operates as a mini-business and is in charge of its own day-to-day activities. This self-containment requires a good company communication system. It comprises the site managers and team leaders having a ten minute meeting each morning, with a fixed agenda prepared beforehand, including what the site produced the previous day, what it must produce that day, customers pulling jobs forward, scheduled visitors, equipment problems, etc. The team leaders then brief their team for five to six minutes, so by six minutes past eight every morning, everyone on the site knows what is happening.

- **Kaizen – Continuous Improvement**

Kaizen is very, very active throughout GSM – 4000 suggestions for improvements have been made over the last 4 years at the Thirsk site alone, and these are the ones that have been carried out!

It concentrates on time, rather than money, with the emphasis on people identifying frustrating and time wasting aspects of their job, and suggesting ways to eliminate or improve those practices. Almost everyone is involved, with Kaizen forms on all notice boards, and all suggestions receiving a response within a week – if it's decided not to proceed, the reasons why are explained, and if it is to be progressed, a timescale and cost estimate on its implementation is determined.

One example of a Kaizen resulted in the elimination of the wrapping process at GSM, the time consuming unwrapping process at the customer and the cost of wrapping.

The Kaizen committee deals with incremental process improvements, and in 1999 a continuous improvement team leader was appointed at the Thirsk site, with training provided. This role deals with site-wide issues and has responsibility to collate ideas, get agreement on the initiatives to pursue and research their feasibility.

- **Planning, Policy and the Future**

A written targeted business plan is produced annually for the next twelve months, plus a set of two year targets exists, and a “wish list” of where GSM wants to be in five years time. The business plan is continually audited – GSM looks at what it has achieved, why something hasn't been achieved and what changes are needed. At a recent meeting, Barry gave an overview of the products/markets the company wants to be in, then current customers and competitors were considered, plus a way for GSM to benchmark itself. Internal issues, such as GSM's selling proposition, service levels, equipment needs, media presence and marketing and sales status were also covered.

Team leaders' conferences are held every six months to go through their objectives and ideas.

Decision-making is not democratic, but the process ensures everyone is listened to, and that the decision taken is in the best interests of the customer.