

SHIFTING INTO OVERDRIVE

Automotive CEO describes partnership with Proudfoot



*An interview with Rudolf Klein
CEO, ZF Passau*

Would you please give our readers a brief description of the work ZF does?

ZF is a worldwide supplier of driveline and axle systems. With a workforce of around 36,000, we achieved total annual turnover of over €6.5 bn. ZF itself is split into five main divisions and the division I represent is the one in Passau. The Passau division is involved in driveline technology for industrial machinery and axle systems.

For a period of some 25 weeks, you carried out an optimization program on maintenance at the Passau gear factory working in conjunction with Alexander Proudfoot. What criteria did you use to select them?

Well, we had what you might refer to as

a latent problem within maintenance. We couldn't quite sort the problem out and weren't too clear about the overall scope of the problem or its solution. So, initially, we were looking for a company that would help clarify the overall scope and scale of the problem, as well as outline to us what action we could take to overcome the problem we faced. As part of this process, we discovered Alexander Proudfoot and we were very much taken by their concept of how to analyze the issues faced, as well as their methodology for scoping out the possible performance improvement.

What's your opinion of the methods they used to analyze the potential for performance improvement?

Within a very short space of time, in fact 14 days, Proudfoot were able, by means of a very detailed investigation into the production side of the business, to illustrate, on the one hand, the performance improvement potential and, on the other, present a comprehensive overview of management and thus the effects on the company as a whole.

So what were your expectations at the beginning of the analysis?

We knew there was potential for performance improvement, although we couldn't pinpoint it exactly. The results of the analysis and the performance

improvement potential it revealed, as well as Proudfoot's way of actually implementing the required actions, were so convincing that we then decided to proceed with this project.

How did Proudfoot's procedures differ from those of other consultancy firms?

I don't want to draw any comparisons here, let me make that quite clear, but we did come down in favor of Proudfoot and I will emphasise again that we are very satisfied with the results.

What were your expectations at the outset of the project?

After we analyzed the performance improvement potential, it was clear in which areas Proudfoot would take action and the actions they would take. The ideas and assessments put forward were very quickly transferred to a working model and within weeks we were actually able to see whether the expectations of the project would be fulfilled.

In summary, therefore, were expectations fulfilled at the end of the project?

Expectations were completely fulfilled. A complete reorganization was implemented with staff trained and motivated. Everybody involved accepted the results and



supported them and, needless to say, all business management targets, or to put it more simply, savings, were defined and delivered.

In what ways were you able to measure the results?

Proudfoot worked with us and very quickly we developed and produced measurement parameters. Working jointly with our relevant department, the respective business management results were produced within four weeks. What's more, and this is just as important, the performance improvement potential was introduced into the individual areas, complete with the appropriate measurement system such that assessment against set criteria could be made. This meant that within six to eight weeks we could actually discern significant double-digit improvements in two important parameters, namely "Waiting Times for Maintenance" and "Duration of Repairs".

Did the project proceed as quickly as you had expected?

We were totally on schedule. We had planned 25 weeks and ended up with exactly 25 weeks.

Were the results sustainable?

The results we were targeting were introduced and structured in such a way that they were sustainable. It is now up to us, as part of our management function, to keep the system, procedures and organisation firmly in place and what we are now

seeing confirms that sustainability can be guaranteed. By that I mean the procedures introduced have resulted in a significant reduction in the complexity of our operations. Another feature is that they have produced a degree of transparency for everyone involved.

So what was the return on investment predicted for this project and what was the outcome?

We had defined in the contract what the return on investment had to be. We measured it and after a short time saw in the interim reports that we were already ahead of forecast. This situation was reinforced at the end of the project and the excess over forecast is definitely significant.

How would you describe the working relationship between ZF staff and Proudfoot?

This "Maintenance" project was certainly not an easy project for the workforce, and at this point compliments have to be paid to Proudfoot and, of course, all members of its team. They understood how to work with our employees and managers and, above all, how to ensure a constructive working relationship with the works committee.

Would you have achieved these results without Proudfoot?

I think so, but what is quite clear is that Proudfoot highlighted our weaknesses, something we would not have been able to do ourselves as quickly. In addition, we would never have been able to achieve

the same end results in 25 weeks as part of our normal day-to-day-business.

Would you recommend Proudfoot to other companies?

We would and are doing so.

Are the solution bases used by Proudfoot the "run-of-the-mill" solutions or do they really approach each client individually?

Well, our experience in this project was as follows: first and foremost, Proudfoot has a whole range of outstanding tools for revealing potential. Then, Proudfoot tries not to implement just any solution, but to work with both executives and staff as a whole to identify where the actual advantage lies for the respective company and how things can be amended and implemented – all set against what in no way can be called a minimal concept but using an approach which is quite definitely project oriented. After the business management data are ascertained at the beginning, in other words at the stage of analyzing the potential, there is basically not even room for compromise just for the sake of achieving short-term effects which cannot be guaranteed over time.

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