

The right foundations

Alstom's lean train still on track



After eight years the lean transformation taking place in Alstom is on track and firmly on the rails with lean partner TBM Consulting Group. Its ongoing focus on lean has resulted in some great achievements and the company continues to work hard at improving its business to sustain this success.

Alstom has brought the knowledge of lean gained in the manufacturing process directly into its maintenance routine, including its work on Virgin Pendolino trains. With the support throughout the years of TBM Consulting Group, Alstom has seen remarkable success in its lean transformation and has continued to strengthen its commitment to the journey. This is a story of a lean implementation that has changed the fundamental culture of the business and has become a way of working. As a result the business performance has seen a significant rise, and customers including Virgin, have seen dramatic improvements in performance.

From Virgin's point of view, it has witnessed improvements in train availability, rising from 36 to 47 trains a day in service and more than a doubling of reliability. From Alstom's perspective, this improved customer performance has resulted in the company being awarded a maintenance contract four years earlier than expected, which runs up to 2022.

In addition to this Alstom has also won a contract for extra Pendolino trains and to increase the number of cars on the existing Pendolino fleet. The integration of these extra cars and trains into the fleet will commence in April 2012.

Clear strategy

The number of times that TBM meets companies that have started the lean journey, but have not seen the results, or have tried lean in the past and it has not stuck, is surprisingly high. These companies have experienced lean, but have not taken on the full lean transformation. It is believed to be as many as eight out of ten companies that do not manage to sustain the benefits or achieve a sustainable culture that will endure.

So, why is it that Alstom has managed what so few have achieved? Steve Hadfield, business improvement manager says: "The difference here is that through a 'policy deployment process' we have developed a clear strategy for Alstom that everyone has bought into across the management team. Through this process we have become aligned as to what is important to improve and then used kaizen to make those changes happen." Kaizen is one of the tools used within 'APSYS', which is Alstom's lean Production SYStem used to provide a common way of working across the business to deliver its QCD commitments. This process of policy deployment or 'Hoshin Kanri' is a means of translating strategic business direction into specific actions and measures. Richard Holland, managing director at TBM Consulting Group, comments: "All too often we find companies have a strategy but lack the methodology to convert that into practical implementation steps and measures. We use policy deployment before any lean activity, which allows the management team to generate alignment to what is important and to agree where lean needs to make a difference. Only then will lean have a chance of survival." Equally, the management team has not all aligned to making step changes in performance, sometimes referred to as agreeing to an 'unreasonable ambition'.



Richard says the concept of ‘unreasonable ambition’ is one where managers need to take a risk and expect significantly higher results. Companies do not really challenge themselves very often. They agree to targets that they already have an idea how to achieve, and this brings the same thinking, methods and results they have always experienced. Asking managers to sign up to what appears to be unreasonable ambition means they have to sign up to change their base thinking. This opens the door for change and truly magnificent results.

In 2006 Alstom agreed an unreasonable ambition in its policy deployment to double the reliability of its trains. At the time it seemed a challenge to achieve this by 2012. In reality this was achieved three years early! Alstom has already decided a new ambition more unreasonable than the last.

But is the secret to sustained lean success having an aligned strategy and clear unreasonable goals that are measured visibly? Steven Clarksmith, business improvement manager at Alstom believes there’s more to it. He says: “The policy deployment process was the start but we now realise that we need to change our management system.” Over the last couple of years Alstom has been implementing a daily management process where all levels of the business, from the boardroom to depot management and specific train repairs, have standard visible measures covering all aspects of what they do. On visual boards they review their performance each shift and agree as a team what they need to do to improve their measures. By 9am each day they have completed a complete review of their business and all employees have been involved in that review in their particular part of the business. Through this management system, which

involves managers walking around these boards discussing with the teams their performance, management becomes directly involved and aware of the issues the business is facing. When they talk of problems in a management review the team has first hand awareness of the real issues behind the changing numbers they are looking at. “This ‘managing for daily improvement’ process is fundamentally changing our approach to management,” says Steven.

“So often lean implementations focus on the tools that are needed, such as 5S or standard work. But without the strategic focus and management system to support this the implementation of the lean tools will not survive,” added Richard. “TBM Consulting Group is focused on partnering with companies over the long term to help them implement a sustainable lean transformation. Clearly we help companies implement dramatic change in their operations or supply chains to show demonstrable improvements, but we also recognise that these foundations have to be in place to enable successful lean implementation over the long term.” ■

