

Unilever's manufacturing plant has restructured and re-tooled to cope with changing consumer markets. JUDE BARLOW talks to Unilever Australasia's Manufacturing Director, Murray Papps, and finds out how engineering innovation and working smarter maximise productivity and market responsiveness.

## WORKING SMARTER



**UNILEVER'S PETONE FACTORY** is a major employer in the Wellington region, with 330 staff. It is a subsidiary of Anglo-Dutch Unilever plc, one of the world's largest manufacturers of fast-moving consumer goods (food products and home and personal care products). Over the past 10 years employment has grown at the Petone site, along with exports to Australia. Nevertheless, like many New Zealand manufacturers, Unilever is under pressure to rationalise production, management structures and staffing in response to the pressures of changing local and global markets.

The Petone factory is now the sole Unilever plant in New Zealand. New Zealand and Australian operations were organised into a single business unit about a year ago. Bar-soap production will be transferred to factories

in Australia and Indonesia in June, as consumer preferences have shifted to liquid soaps and shower gels. Toothpaste production is to move to an Indian Unilever factory, reflecting a loss of market share in New Zealand and Australia.

Now the Petone factory is determined to work through the pressures of changing markets. "In the fast-moving consumer goods market innovation is absolutely vital," says Mr Papps. "We are looking to re-invent existing brands with improved formulations and packaging." He identifies three planks to success: regular product innovation; continual plant updating; and making the most of the skills and abilities of your workforce.

While the soap and toothpaste production lines are closing down, Petone's laundry powder production for Australasia is picking up, increasing three-fold in 1993/4 after Unilever closed a Sydney plant. Mr Papps says the laundry side of the plant, which is totally computer controlled, is very modern. "We have invested heavily in the past 10 years to upgrade the equipment, and we keep up capital expenditure."



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A total quality management programme, it is targeted at the factory floor. It involves staff of different capabilities working together to achieve optimum results. As well as technical skills team members need to develop soft or managerial skills to enable them to hire and lay off staff, hold team meetings, solve problems, assess and respond to training needs. Display boards throughout the Petone factory show how teams have worked together to identify and solve manufacturing problems. Banners exhort staff to work to the best of their ability, proclaiming slogans such as “Remember work smarter not harder”.

Mr Papps says the philosophy, which a JIPM consultant helped establish and updates every three months, has worked “staggeringly well” at the plant, with a “dramatic improvement” in the work environment and in productivity. “I wouldn’t have believed 10 years ago we could do it. To see people doing jobs that were previously in supervisors’ or managers’ spheres, as well as their normal work, and using new skills, is extremely satisfying.”

“The key thing is that people feel empowered to undertake initiatives.” Teams can co-opt people from other departments, such as human resources or finance, to help

solve problems without management approval. Over 10 years the number of managers has dropped 15%. Supervisory positions have also decreased and been replaced by team support officers, who help the teams solve problems rather than directing people.

An example of this approach was the development of the deodorant filling machine. The deodorant bottle is difficult to handle because it is small, irregularly shaped, and unstable, and requires a ball and spherical cap. The team applied TPM problem solving techniques and the engineering members, with their production colleagues, designed, manufactured and assembled all the equipment. The plant now has a high-efficiency line instead of a collection of unreliable equipment. An Italian-supplied shampoo-bottle feeder was also re-thought and re-engineered to cope with a change in bottle dimensions.

### Safety

Safety has always had a high priority on the Petone site. Factory Manager Bob Armour was quick to see TPM’s loss-prevention approach as beneficial to safety management. TPM has helped improve overall safety – the factory has gone two and a half years without a single lost-time accident or a restricted work case. The plant has the highest tertiary level of ACC self-insurance, and holds ISO certification for its environmental management, quality management and occupational health and safety management systems. In 1997 it received a Wellington Regional Council commendation for its environmental practices and came fourth in last November’s *Unlimited* (magazine) Massey University Corporate Environment awards.

Mr Papps says the factory has no difficulty hiring engineers, sourcing graduates from New Zealand and Australian universities. However, it does have difficulty hiring and retaining IT and process computing staff, because of a worldwide shortage. It deals with a lack of tradespeople through its long-running apprenticeship programme, which sees an average of nine apprentices training at any one time.

A further “tremendous advantage” for the Petone plant is its production flexibility. The plant can do long or short product runs, and the product type can be changed quickly. This makes it possible

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