

## Product and Manufacturing Strategy for ATB Motors in Tarnow, Poland

### **Issue for ATB in Poland**

ATB has a very large electric motor manufacturing site in Tarnow, Poland, which had traded close to breakeven for some time, but the downturn in late 2008 caused this to move into losses. The site was quite inefficient and had a large degree of product complexity and too much stock.

### **Overall contribution / achievement of objectives**

Steve analyzed the current product and manufacturing methods associated with these and showed that the old product range accounted for a large degree of manufacturing complexity and manual labour. The newer range of motors were simpler to assemble and actually cost less to make, despite their higher material content. The strategic change was to move the established customers to the newer range and thus improve efficiencies and reduce stocks. The first step of this strategy was verified with the external sales force and several dealer and key customers. Then he planned the new layout and resulting complexity in the manufacturing processes, so these could be implemented quickly.

### **Impact on the business / bottom line**

The elimination of the older motor range took 6 months and this allowed part number complexity to be reduced by over 40% across the factory. This was the key to improving efficiencies and reducing the workforce by 20% from c.1000 down to 800, while still producing the same number of motors per day. These actions brought the Polish operation back into profit and gave it a stable platform for future growth.

### **Leadership / people management skills**

“Steve questioned the status quo of the products and the rationale within the sales team, despite most people saying it was the wrong thing at first. When we presented the strategy to the older customers, they agreed that this change was quite possible and they supported it. This provided us with the confidence to go ahead and implement this product rationalization.”

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