

# TIME TO QUESTION ASSUMPTIONS



**ED HANDYSIDE**  
ON WHAT THE  
REGION'S FOOD  
COMPANIES  
MUST DO  
TO SURVIVE  
AND PROSPER



**O**NLY two European countries have food and beverages as the biggest component of their manufacturing economy. One is Denmark. The other is dear old blighty! Sadly it's not that our food sector is stronger than that of Holland, France, or Italy; rather that, since the other parts of UK Manufacturing Plc have taken such a pounding, it's the only chunky bit we've got left! All the more reason to nurture and preserve it.

Fresh and chilled meals especially lend themselves to lean imperatives. You can stock a finished goods warehouse with a month's worth of machine parts, paper or injection-moulded products and accept the burden of working capital, storage and handling costs. But try that stunt with fresh food and all you end up with is mould and maggots. Shelf life is the key – and retail chains expect whatever there is of it to be just that: time spent on their shelves; not in supplier warehouses or in process inventories.

That's partly why Britain's food companies have fared better than their engineering counterparts. After all, whatever other consumer choices they may exercise, people have to eat, and it has been long assumed that fresh, prepared food at least will always be made locally. But there are no guarantees. A supplier of pizzas sold in the UK brazenly proclaims their German origin. As British supermarket chains are opening stores in the Czech Republic, Poland and the Baltic states, they will increasingly see not just expanding consumer markets but potential sources of supply for many products.

But in making us a lot more particular about what we eat, Jamie Oliver and Dr Gillian McKeith may actually have done the industry a favour. This may not immediately be appreciated by companies who have seen a 30 per cent slump in demand for some of their established lines, but the appetite for higher quality, higher value recipes using fresh fruit and vegetables, locally farmed meat and poultry and minimal use of additives is likely to help inoculate the industry against overseas competition.

There is a price for companies who wish to exploit this opportunity. It means gearing up to an even higher level of lean disciplines and questioning some of the industry's long-cherished assumptions.


It means investing in well-trained first line managers, enabling a flatter and more responsive organisation. At Greencore Plc there will shortly be only six levels of seniority and payment grade: from the newest recruit on a packing line to managing director.

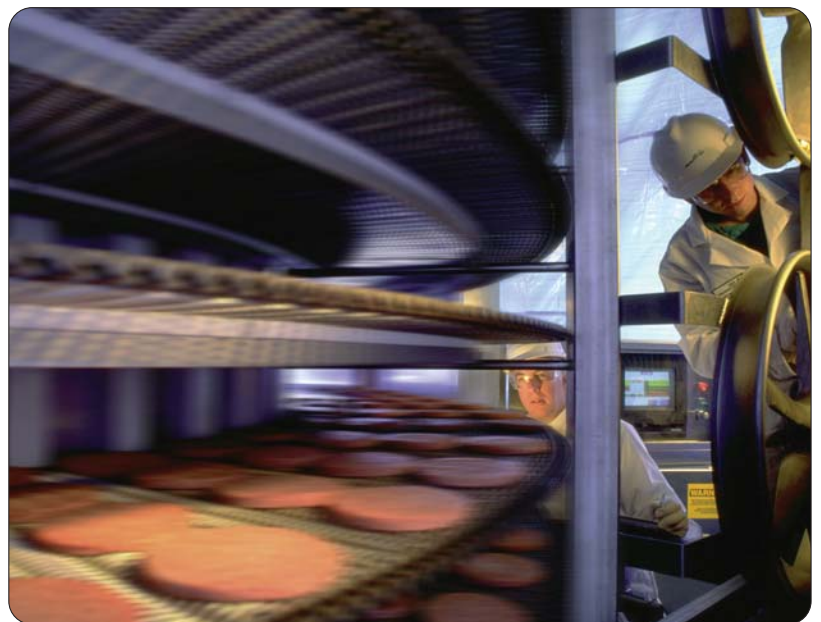
It means a slicker approach to new product development, treating recipe

trials not just as a burden imposed by customers but as an opportunity to engage production teams and resolve technical problems more swiftly.

It means challenging the low wage – low skill paradigm of the industry's approach to labour management: taking back the obligations of leadership from the agencies and gangmasters and investing in a smaller, more dependable, more flexible and infinitely better-trained workforce.

It means making the required quantity of all products each and every day without anticipatory production: new disciplines and work patterns for planners and schedulers; investing not in the latest technological behemoth but in cooking and preparation equipment that is simple to use, quick and easy to clean down and changeover and capable of processing much smaller batch quantities.

It means above all promoting a concept of efficiency that is compatible with the needs of consumers and the commercial imperatives of the industry. 



  
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