



How good is your business really?

People at the heart of driving success: Siemens drive technology manufacturing, Congleton

The award winning Siemens Motion Control Plant in Congleton began in 1971 as a warehouse and switchboard workshop. The facility now manufactures in excess of 1.3 million motor drives each year, employs over 500 people and exports 98 per cent of its products to 78 countries. It has its own junior factory, a business within a business for apprentices to develop the full range of skills to run British factories of the future. Over 90 per cent of employees have individually implemented some improvement to the company, and a target of 5 per cent annual productivity improvement has been exceeded, standing at over 8 per cent.

The plant in Congleton is widely recognised throughout Siemens for its productivity, innovation and extremely high levels of employee engagement, based on a culture where 'everybody counts, everybody deserves respect, and high levels of involvement at every level', which the company believes underpins extremely high levels of performance. The plant also has strong ties to the local community.

In 2014 the plant won the EFQM Excellence Prize for Leading with Vision, Inspiration and Integrity and Developing Organisational Capabilities. EFQM described the culture as inspirational, and commented that the factory had risen to meet the challenge of remaining cost competitive while delivering quality products on time, every time by 'creating an agile innovative organisation with a zero defect culture, that has enabled it to compete not just on quality but also on price, with anyone, anywhere.'



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Congleton has a highly engaged, motivated workforce, that has huge pride in the history and success of the plant over the years, and a strong identification with the 'all in it together, pulling together' approach that underpinned Strategy 2015, which was developed in response to the acknowledged market threats post 2008.

Difficult decisions at the time included moving to a four day week, with a resulting 20 per cent reduction in pay, and then a 20 per cent workforce reduction. However, trust and engagement within the plant was maintained; engagement scores barely dipped, and 60 per cent of those who left subsequently rejoined as the market improved.

The 'all hands to the pump' approach created a very strong culture of pride and a sense of communal ownership of the plant's success which permeates the whole operation. The relative simplicity of the story – improving performance and productivity to secure the future of the plant – was both a source of inspiration and a roadmap for employees. The strategy was developed and launched at a company offsite – an annual event – and was visually recreated in graphic form, and then reproduced across the factory. It helped generate confidence in the overall strategy, enabling individual employees to have a clear line of sight between their day-to-day job and the aspirations of the company.

A strong family atmosphere permeates the plant, with strong respect for every individual, and an implicit understanding of 'how we do things around here', i.e. the values and behaviours expected from everyone. The approach of 'humility but confident' leadership is reflected in most departments and management levels of the plant. The visibility of the leadership, both within the plant on a daily basis and in set



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piece events such as the annual away-days and team briefs etc. and the fact that employees know from experience they can speak out, engenders a strong level of horizontal and vertical trust. Innovation is not seen as a threat, but as a positive contributor towards future success.

This culture is acknowledged to be the bedrock for operational success – such that the factory is known and recognised throughout the Siemens business, has achieved multiple awards, and remains the best performing factory in the motion control sector.

The new 2020 strategy builds on the successes achieved by its predecessor, but brings in some important new elements. The underlying theme is to make the plant even more cutting edge in its product range, and more customer centric, with the emphasis on bespoke products developed with the customer, who will have more visibility on site and a quicker, leaner and more flexible operation on the ground.

The new strategy will require more individual employee ownership of problem solving and innovation, and a flexible and agile approach to working arrangements. It will also need more cross functional working across departments and functions, including R&D, manufacturing and customer service. It will include cutting edge elements such as co-botics and the i-factory. However the concerns for cost, quality, delivery and safety remain central to the plant ethos.



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Ten strategic themes have been identified to deliver the vision: 'together as a great team we deliver unrivalled innovation and value for our customers'. These themes have a programme of focussed activity to ensure that targets are reached:

- Advanced supplier relationships
- Enhanced logistics
- Advanced manufacturing
- Integrated digital enterprise
- Organisational transformation
- Ensuring sustainability
- Product of the future
- Customer value enhancement
- Develop with agility
- Integrated location.

As the new strategy recognises, 'it is the engagement and understanding of our strategy by all employees that will ensure its success'.

In particular, the current leadership have identified that while there is trust and openness, and an understanding of lean techniques and principles, the management style still retains strong elements of paternalism and hierarchy. "The challenge is to move to one of front line empowerment" as Managing Director Andrew Peters put it, "so that employees at all levels can bring all their skills and experience to bear and take greater responsibility to develop and improve future products and processes."



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The leadership believe that a cultural shift to empowerment, whereby employees take proactive ownership of working practices and improvements, rather than waiting for instructions from managers, will be key to implementing the 2020 strategy, delivering more agility, speed, efficiency and quality. The factory is therefore looking at operational changes such as scheduled based working and self-managed teams. It will also ensure that more front line staff have the opportunity to visit external customer operations to see the impact of the parts they produce.

Such a culture change will impact on all levels of the organisation, requiring a different approach from the front line, changing the working style of front line managers from instruction to coaching for example, and requiring more senior managers to work together across functions to take a more strategic approach.

The leadership recognises that there is a challenge to the ethos in moving from a 'burning platform' to a more confident, outward looking culture. Maintaining the very high levels of emotional and practical engagement that the '2015 journey to safety' embodied will require a deeper understanding across the workforce of the steps needed to secure the market opportunities, and a high level of confidence in their own abilities to effect change. As Andrew Peters says: "Individual employees will need to be able to answer questions like 'what does it mean for me?', 'how will we know on a day to day basis what I'm contributing to 2020?' and 'what will success look like?' The big aim will need to be tangible."



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The successful approach of visualising the 2015 journey is therefore being replicated with a new graphic for the 2020 strategy, which was launched at the latest employee off-site meeting at the end of last year.

Learnings

- A very strong strategic narrative about the factory's past present and future underpins employee engagement at Congleton, and although it is being updated to reflect the new elements in the 2020 strategy, the continuity of the culture of respect and mutuality is seen as central to future success
- There is considerable effort to reassure the workforce that the strong cultural foundations of trust, honesty and mutual respect and regard remain strong and fundamental to the success of 2020
- Effective communication with, and listening to, the workforce remains central to the engagement journey. The team is looking at how the traditional ways of communication can be supplemented through the means of social media on site, as well as improving visual displays of operational success
- The leadership recognise that the updated approach with the emphasis on team and individual empowerment will need to be supported through explanation and reassurance, and training and development support both for the front line and managers in the new ways of working
- It is dependent on success in horizontally integrating functions to ensure they work closely together in product development and customer responsiveness