

## BUSINESS LIFE

John Neill believes the 'Unipart Way' can stop UK businesses lagging behind foreign rivals, writes Peggy Hollinger

John Neill bristles at the suggestion that he is the leader of a cult. But he is messianic about the need to save British companies from their benighted ways.

"In 2011 the US was 39 per cent more productive than the UK. This isn't a failure to invest in IT. It is about the attitude to change," says the chairman and chief executive of Unipart, the global car parts and logistics group that was spun out of British Leyland in 1987.

"If only the UK could achieve the average of best practice, the prize is £300bn."

Mr Neill has been preaching the gospel of productivity for decades, ever since he led the management buyout of British Leyland's spare parts business.

The methods he used to take what was once labelled the UK's worst factory to its best in six years (as voted by Management Today) have been expanded and codified to form the basis of what Mr Neill calls the Unipart "U": a shop floor university where employees learn to analyse and resolve problems that get in the way of doing their jobs more efficiently.

The resulting improvement in productivity and quality meant the survival of Unipart's car parts factory despite the demise of British Leyland. The standardised disciplines have since been applied to its distribution warehouses, and that expertise is being sold in a consultancy arm that takes staff off the packing line to offer advice and guidance to other companies.

Earlier this month Unipart announced its biggest rise in profits for 10 years, thanks not just to new business but to continued productivity improvements.

The key, says Mr Neill, is staff engagement in the system he has branded the Unipart Way, which was inspired by the lean manufacturing processes developed in Japan in the 1950s. "It has got to be practised every day in the workplace in a deliberate manner, not from time to time when management inspect it. It has got to be part of the DNA of the way the business works," he says.

A trip round Unipart's Cowley distribution centre in Oxfordshire – once British Leyland headquarters – shows that Mr Neill has devoted followers. From the man on the packing line to the billing clerk in finance, each speaks the same Unipart language.

They describe the "journey" from factory "Gate to Great" as they practise the oft-mentioned Unipart Way. They talk about the "tools and techniques" they are given in the classroom, which empower them to resolve problems that in other companies might have to wait for a supervisor's sanction.

Neil Pinnell, a team leader in the distribution centre, agrees that outsiders might consider these mantras and the obsessive focus on the Unipart Way a bit "cultish".

But he says: "It means we are all joined up. We all understand the tools and techniques and we can really drive



## A productivity evangelist eyeing a £300bn prize

**Messianic: John Neill says engagement among employees is the key to introducing better production methods**

Mark Bassett

waste out of the process. We are masters of our own destiny."

Yoann Reveleau, the chef who trained as an engineer in France and now runs the canteen kitchen, admits that he was initially sceptical.

"At the beginning it was a bit weird, a bit scary," he says. "But afterwards you realise it is just common sense. You solve problems as a team and we are continuously improving. This is just an industrial way of working."

In the kitchen, the back office and in the warehouse, billboards with task sheets are filled in hourly, setting out the job, the time it should take and the time it has actually taken. Charts marking progress against benchmarks are coloured red or green depending on that day's performance.

"Wherever you go you will see people writing up data . . . every day," Mr Neill says.

It all appears intensely bureaucratic – Orwellian, even, with its continuous assessments in plain view.

But Mr Neill insists the culture is not one of blame or humiliation. "In most companies it is about who screwed up. With us, if it has gone wrong we are asking what went wrong with the process. Then it is about teaching people and helping them to find solutions."

Certain practices – such as observing staff at work to spot more efficient ways of doing things – are classic lean techniques.

Other practices, such as giving graduates of the shop floor faculty the chance to work as consultants to outside businesses, are pure Unipart. This has enriched both employees and the company, says Andy Hicks, a 21-year veteran.

"I've been an operator. Then I've gone out and been a consultant. I've come back as a manager. I've gone out again

and come back a different leader. Bringing those war stories with you really helps. It makes you better at understanding the whole picture."

HM Revenue & Customs was a client and the National Audit Office acknowledged Unipart's contribution in helping the tax collection agency cut costs by £400m.

Yet the transition to lean working practices in the civil service was controversial. Unions claimed that the standardised methods – such as clearing desks of personal material and placing necessary objects in designated positions – dehumanised and deskilled workers.

The debate still rages among academics today, with some arguing that the introduction of lean processes to the civil service did not make HMRC more efficient.

Others say the failure was HMRC's management, which did not understand the extent of change needed to

reap the full benefits of lean processes. Mr Neill more than bristles at suggestions that Unipart's methods failed in any way. But he does acknowledge that creating a lean company takes time and that efforts are bound to fail if both management and employees do not buy into the programme.

"Less than 10 per cent of companies that embark on 'lean' journeys sustain it because the grass grows back," Mr Neill says.

"You have to have a whole range of ingredients in place: unambiguous leadership from the top, a design system with all the tools and techniques. To make it work takes thousands and thousands of hours of deliberate practice."

Mr Neill estimates that his company has spent a total of £100m over 25 years in designing the system, maintaining it with regular training sessions and developing the database of techniques and solutions that can now be accessed globally from any Unipart site for training purposes.

The group is now extending this shop floor faculty approach to the training of young engineers. Working in partnership with Coventry University, students will learn theory in the classroom and step out into Unipart's components factory to apply it practically. It is just like the Unipart U, but with a focus on skills in addition to lean processes.

Mr Neill says he will have access to new technologies and to the brightest engineering students. But Unipart's evangelist will also have a whole new crop of potential converts. When the students graduate, they will take with them the lessons learned in Unipart factories.

And, as each finds a place in the wider world of manufacturing, Britain may be that little bit closer to closing the productivity gap.

### At sixes and nines

One Unipart warehouse supervisor tells how £40,000 was saved in a single shift by appointing a colleague to stand in one place for several hours to watch how goods were packed and collected. The monitor observed that the number "9" scribbled on the box was being read as a "6" when the forklift truck approached it from a different angle, which meant the goods went to the wrong truck. A simple line under the "9" cleared up the confusion and the team found it could do the same work with six people instead of seven.



**Video**  
Unipart chief executive John Neill tells Peggy Hollinger about its 'facilities on the floor'  
[ft.com/faculty](http://ft.com/faculty)