

APICS Education Advances People and Performance at Weir

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Results

- 45% reduction in lead time
- 67% increase in orders (vs. previous year) within the Oil & Gas division
- 11% increase in orders (vs. previous year) within the Minerals division
- On-time delivery up to 98%
- Increased market share

This case study was originally published as a “Corporate Spotlight” in the January/February 2019 issue of SCM Now magazine. The article, written by editor in chief Elizabeth Rennie, can be found under the title “APICS Education Advances People and Performance at Weir.”

The Weir Group PLC is a global engineering and equipment manufacturing company headquartered in Glasgow, Scotland. The business is organized in three divisions serving the mining, oil and gas, and power industries, with more than 14,000 employees operating in 70 different countries. Weir's operating model is decentralized into local or regional businesses based on either the markets they serve or products they make. Each business is responsible for its own profit or loss.

Uniting Diverse Businesses

In 2014, Weir launched a value chain excellence program to improve overall performance. As part of the initiative, an internal assessment was performed of supply chain capabilities. The assessment identified that there were varying degrees of capabilities and practices across the organization, with certain businesses requiring the establishment of fundamental supply chain and operations practices. In addition, Weir lacked a common language of terms or practices.

"In most locations, people working in the supply chain functions had little or no formal training," explains Mark Duncan, value chain excellence lead, Americas. "Their capabilities were limited to their own experiences and what had been passed down from other employees. This translated into inconsistent supply chain performance across the various businesses."

Weir turned to APICS to provide broader views and a full body of knowledge in supply chain management. By having a common knowledge base and improved people capability, Weir was able to significantly improve overall company performance. In fact, the results were so impressive that APICS Award of Excellence judges recognized Weir with the 2018 Education Award.

Education and Application

With people in different countries, divisions and businesses, it was critical for Weir to develop a common understanding of the APICS material and allow employees to share their experiences, practices and learning with colleagues. Additionally, Weir leaders wanted to provide the training at different sites to allow participants to see and understand each business, operating model and how they could apply the concepts they were learning from the APICS material.

To accomplish these objectives, Weir engaged the APICS Houston Chapter, which had been providing very successful on-site APICS Certified in Production and Inventory Management (CPIM) courses at the Weir business in Houston, Texas. The Houston Chapter agreed to send the same instructor to teach all the CPIM courses to the Weir employees throughout the world.

"A key challenge here was getting people from all over the world together for classes," Duncan says. "This provided some logistical challenges in not only travel, but also language and food preferences. For many of the students, English was a second language. ... They not only had to learn the material, but also understand a new language. We asked the instructor to adapt examples and speak slowly to allow better understanding for a global audience."

In the fall of 2015, Weir began the process of holding CPIM courses for 120 employees from 24 different countries in five regional training sessions. The courses were held every six months in Australia, Malaysia, England, the Netherlands, Scotland, Chile, Brazil, Peru, and six locations in the United States of America. In the spring of 2018, the last region completed the course.

For each course, participants would travel to the designated location, where they would spend the week being instructed. Weir supplemented the material with site tours and workshops. The company also paid all expenses — including exam fees — and employees received their normal pay during the training. To further support the APICS education, Weir purchased a corporate membership, and all CPIM participants were put under the umbrella. To encourage the use of APICS resources and education, even those supply chain directors not participating in the training, as well as other key people in each division, were put under the Weir membership umbrella.

"I've implemented two learnings from APICS directly after attending the courses: ABC classification, which revolutionized the way we make decisions and reporting in our business. And better use of [material requirements planning] (MRP) controls and execution, where we started correctly executing daily MRP messages to make sure we do not procure unwanted items."

— *Riaan Lategan, Regional Demand and Systems Manager, Weir Minerals Africa, Johannesburg, South Africa*

Award-Winning Results

At the end of the CPIM courses, all participants gave a presentation to their peers, as well as a member of the executive management team. Each shared what they learned, what they applied to their business and how it improved performance.

“Three common themes arose from the training,” Duncan notes. “These include the benefit of using all levels of manufacturing planning and control; the benefit of applying of the appropriate manufacturing, supply and inventory processes to each unique manufacturing environment; and a common understanding of terms and best practices.”

Additional results include the following:

- One business achieved a 45 percent reduction in lead time, and another reduced inventory by 20 percent
- At the end of 2017 Weir’s Oil and Gas division realized a 67 percent increase in orders over the previous year
- The Minerals division saw an 11 percent increase in orders
- As a result of enhanced sales and operations planning processes, Weir has been able to deliver to additional demand and gain market share
- The Salt Lake City business, which previously had on-time delivery in the single digits, is now delivering product 98 percent on time

“In my opinion, the most valuable result was developing more capable people,” Duncan says. “The APICS participants used their learning to not only improve the supply chain in their location, but also educate others. Consequently, many of the participants have taken on additional leadership roles.”

APICS education is now broadly supported throughout Weir. In addition, the company has already scheduled the next wave of CPIM courses and there are discussions to support an APICS Certified Supply Chain Professional course.

“People and their development is a strategic pillar for Weir,” says John Heasley, chief financial officer. “Through APICS education, Weir has been able to increase the capability of its people and the organization. This increase is allowing Weir to make changes in how businesses operate, manage their supply chains and manage inventory. Weir will continue to support the APICS education because it provides its employees with a broad body of knowledge, which can be applied to their particular business situation. In turn, improvements at the local business level will improve the overall performance of the Weir Group.”

“An APICS education is important to me because it gives me the foundation from where to start building a successful supply chain. ... APICS resources have become my starting point each time I begin working on a new process improvement.”

— Trent Harris, Planner, Weir Specialty Pumps,
Salt Lake City

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