

Corporate overview

Rexam is a global consumer packaging company with a turnover of £4.3 billion in 2012. We employ some 11,000 people in more than 67 manufacturing facilities and offices across 24 countries. Headquartered in London, England, we are an established member of the FTSE 100 and known as a global leader in the manufacture of beverage cans, and major global player in rigid plastic packaging for healthcare applications. We are business partners to some of the world's famous and successful consumer brands such as Coca-Cola and Pepsi, and blue chip global brand owners such as GlaxoSmithKline. Rexam has strategically pursued the Shingo prize model since 2011 and now has five plants accredited including one Prize winner.

The Enzesfeld facility

The Enzesfeld facility based near Vienna, Austria since 1983 is Rexam's first Shingo Prize applicant. Enzesfeld is one of the 24 facilities that make up our manufacturing sector known as Beverage Can Europe.

Of the 144 people on site, there are 135 people concerned with factory operations and 9 people concerned with logistics and distribution. The 153,000 sq. ft. facility has two dedicated continuous operation lines manufacturing in excess of 4.60 million aluminium cans per day for major customers such as Heineken, Coca-Cola, SAB Miller and Red Bull. The factory operates 24 hours a day for 7 days per week, and a need for high *on demand* uptime and process flexibility drives a strong culture of TPM.

Reassessment

The Enzesfeld facility has always been at the forefront of our Lean Enterprise program and received a site visit in the late fall of 2011 by the Shingo Prize for Operational Excellence assessors. The plant was not accredited this time but has worked consistently since then to attempt to close some of the identified gaps. Focused areas of improvement have been:

- Wider employee engagement with C.I. driven by improved standard work.
- Management coaching of employees to more effectively and readily use lean tools.
- Greater clarity around aligning daily work through Hoshin to strategic objectives.
- Ensuring we better measure what matters such as productivity, inventory management and morale.
- The KPI performance has also seen improvements in all areas described last time except absenteeism where it remains level.

Product and process

The site is capable of producing two sizes of beverage can (25cl and 50cl), and up to 16 varieties of finish, resulting in over 2,000 active labels. The ability to continuously improve changeover times to meet requirements for smaller lot sizes and faster deliveries is a necessity to maintain competitive advantage.

To make a beverage can, the key process steps involve stamping and drawing aluminium discs from rolled stock to form a can shape a few microns thick. The open end is then trimmed and shaped. The cans are then washed before being decorated on in line screen printers. They are then shipped to our customers filling locations across Europe. Speed and quality are the key drivers of process performance and our QAS (quality assurance system) and VISCan (process monitoring system) systems provide real time in line SPC and process monitoring capability.

Enzesfeld achievements

- Granted "Supplier of the Year" by customer **Splitz** in 2010
- Awarded high recognition in customer audits by Heineken and Carlsberg in 2010 and SAB Miller 2012
- Lean Enterprise achievements:
 - Gold status 2004-2008
 - Beyond Gold Diamond status 2009-2010
 - Rexam "Best Lean Enterprise" in 2010
- Rexam People Award 2007 for the support given in delivering the successful start up of our second manufacturing facility in Austria
- CO2e reduced by over 10% since 2005
- Non manufacturing waste cost has reduced by over 15% since 2006
- Helios Certificate in 2008 as official public recognition for innovative energy reduction solutions
- Rexam benchmark in most operational KPIs across 24 BCE sites.

Safety & Environmental

- ISO 14001 accreditation (environmental systems)
- OSHAS 18001 accreditation (safety systems)
- Quarterly safety training for all employees
- Weekly Management Safety Visits covering all areas of operations, warehousing and administrative areas
- Safety Kaizen programme established with 2 major and 8 smaller events completed in 2012 that identified and remedied over 150 unsafe conditions
- 1000 Days without an accident celebrated in March 2013
- LTAR reduced steadily from 6 in 1999 to 0.0 in 2012
- Enzesfeld has begun implementing Behavior Based Safety starting in 2012.

Quality

- ISO 9001:2000 accreditation (quality system)
- 1 Master Black Belt (Plant Manager)

- 3 Black Belts (Quality Manager, Engineering Manager, Production Manager)
- 1 Green Belt (Supply Chain Manager)
- 4 further management team members currently training as Green Belts
- QAS and VISCan real time SPC and process monitoring for 100% of production
- Customer complaints reduced by 70% comparing the average between 2001 and 2004, to 2009 and 2012.

Employee morale

- Absenteeism has reduced from 4.3% in 2000 to 2.64% in 2012
- Rexam runs regular employee engagement surveys and did so again in 2012. Enzesfeld achieved a response rate of 91%, with an Engagement Index of 62% favourable
- Employee focus groups established to address issues such as general communication by understanding and improving employee engagement survey results
- Annual team building events for all employees
- Internal talent pool established
- Plant ambassador elected by the employees, based on Rexam Values twice yearly
- Continuous development of all employees based on personal development plans.

Delivery performance and Cost reductions

- OTIF performance has remained consistently above 99% since 2006, averaging greater than 99.5% and has risen to a peak of 99.9% over the last two years.
- €340,000 in Lean Enterprise/Six Sigma cost savings in 2012
- Lean savings total €9,6 m since 2001
- Primary process scrap (aluminium) has reduced from 3.8% in 2000 to 2.85% in 2012
- Inventory as % of sales has reduced by over half since 2006 from 2.3 to 0,5 in 2012
- Enzesfeld is Benchmark on 'total conversion costs' (making a finished can from raw material rolled stock) 25cl and 50cl cans.

People

Rexam, globally, sees its employees as its main asset. We are therefore dedicated to not only their wellbeing but also to their development and education. Enzesfeld is no exception. All 144 employees in the facility are engaged in twice yearly appraisals and objective setting, and all employees do have personal development plans. Succession planning is managed effectively both within the facility and across Rexam by means of our local and global talent pool concept.

To be competitive in can making you will have a small complement of people. These people are responsible for a high level of invested capital, so it is critical to the success of the site that people are skilled, engaged and capable of working autonomously.

Enzesfeld has a mature, active Lean Enterprise and Six Sigma programme allowing for a high level of employee engagement in structured continuous improvement activity. Their kaizen culture has been particularly successful when applied in the area of safety.

Enzesfeld can claim average tenure of 14 years and more than 40 employees with over 20 years service. The absenteeism rate is not yet world class at 2.64% but compares favourably to a regional average of 4.12%.

Major process improvements identified through the kaizen process have risen steadily as operator engagement continues to rise.

Continuous Improvement process

Rexam has operated a global system of Lean Enterprise since 2003. It is structured around building capability in specific tool sets of Culture, VSM, 5S, TPM, SMED and Six Sigma. Internal assessors review progress annually and award a merit of bronze, silver or gold depending on performance levels. Enzesfeld achieved silver at their first assessment in 2003 followed by gold in 2004.

In 2008 our best plants were invited to participate in a more sophisticated assessment known as "Beyond Gold", where the implementation of lean *systems* was appraised. Again a system of merit is used to recognise achievement starting at *emerald*, then *sapphire*, and finally *diamond*. Enzesfeld demonstrated a sapphire level of performance at the first time of asking and subsequently moved to diamond in 2009 and again in 2010.

Enzesfeld became the first Rexam site to apply for Shingo recognition in September 2011, and although performed admirably they were not accepted for accreditation.

After 18 months of considered improvements in the areas recommended we believe Enzesfeld is now ready for reapplication.

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