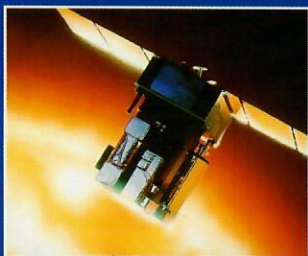


INDUSTRY+

European Market

TECHNOLOGY



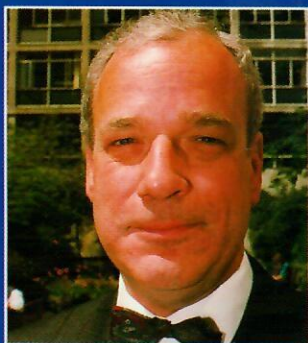
Putting space to work

SPECIAL REPORT



The fight against counterfeiting

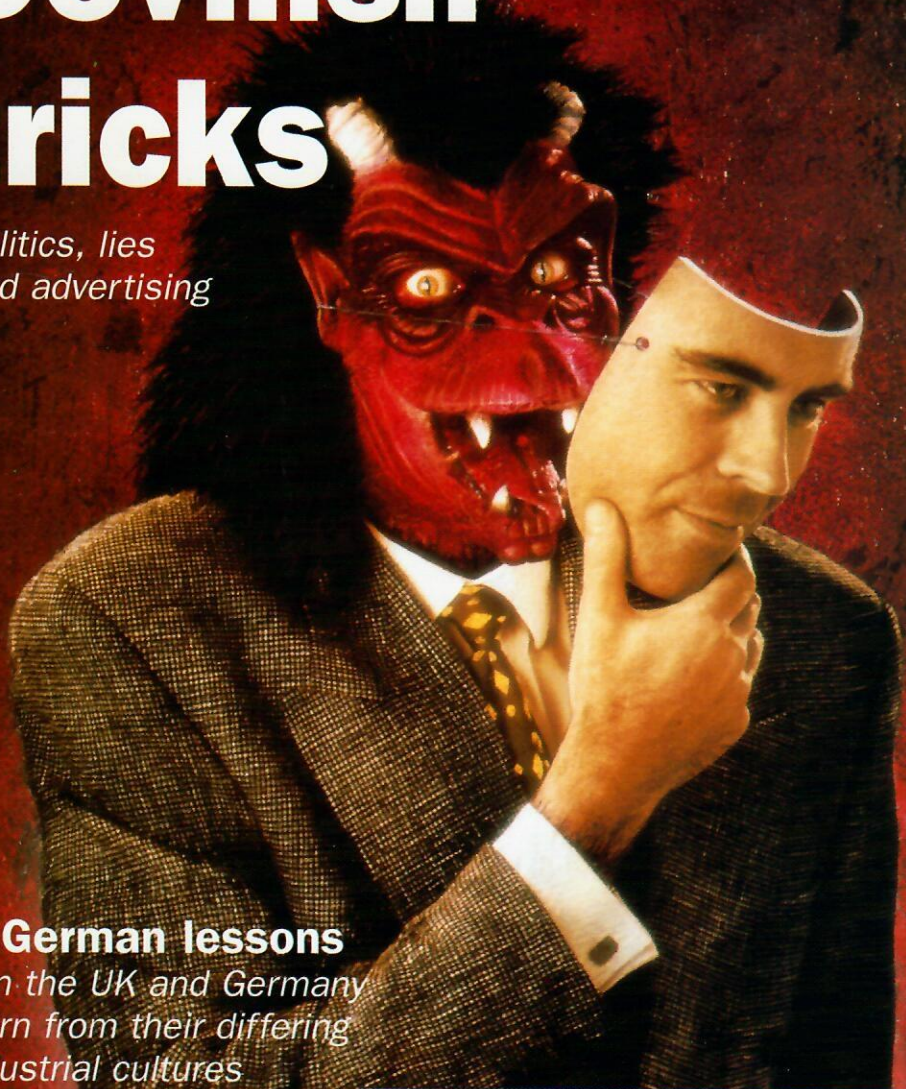
COMMENT



Bill Jamieson looks to faster growth in Germany

Devilish tricks

Politics, lies and advertising



● **German lessons**
Can the UK and Germany learn from their differing industrial cultures

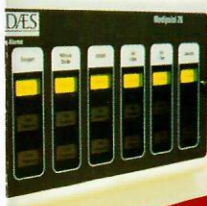
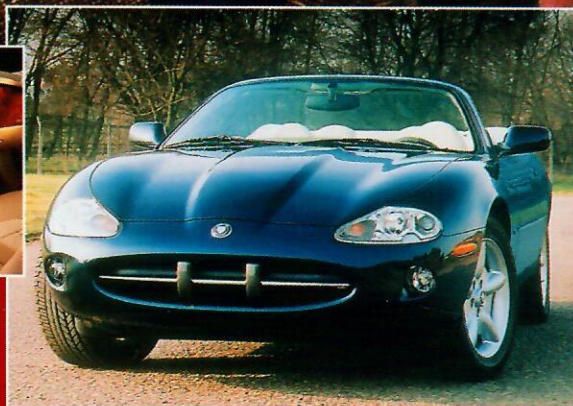
Profiles:

- Dennis Specialist Vehicles drives on
- Medaes grows under new ownership
- An industry re-born – River Don Castings



Jaguar's XK8

A new era begins



The quantum leap

Demand Flow Technology is a business strategy that offers management a route to dramatic improvements in efficiency and profitability – and the goal of zero working capital



The mission of the Worldwide Flow College is to help ensure the global competitiveness of western manufacturing. From its international headquarters in Denver, Colorado, its Pacific headquarters in San Jose, California, and its newly established European headquarters in Nice, France, the Worldwide Flow College provides education, implementation support and formalization tools to companies who wish to abandon the outdated techniques of functional, scheduled manufacturing for the mathematically based manufacturing technology of Demand Flow manufacturing.

Terry M. Moore, Director of Implementation at Nice, says, "Demand Flow Technology is not a 'philosophical' strategy but a specific set of tools and techniques which companies can actually implement. These tools have allowed over 1700 client companies to achieve dramatic benefits to their financial bottom line." Among those clients are many world-class companies, including General Electric, American Standard, Whirlpool, Black & Decker, Johnson & Johnson and Eastman Kodak.

The 'Father of DFT', John R. Costanza, founded Jc-I-T Institute of Technology Inc twelve years ago. His revolutionary textbook, *The Quantum Leap – In Speed to Market*, has become the best selling source for companies seeking the route to global competitiveness. Mr Costanza has built upon pioneering work in management at both Hewlett-Packard and Johnson & Johnson to formalise the flow manufacturing techniques to a mathematical basis and structure the technology into a comprehensive manufacturing strategy. Today he continues to direct DFT implementations throughout the world as well as designing and developing the DFT curriculum for the Worldwide Flow Colleges.

Speed is the essence

The key element in DFT is the reduction, even the elimination, of working capital. Many companies work to long term forecasts, manufacturing their products weeks or months in advance of orders and building up large inventories. Under DFT, companies abandon such forecasts and manufacture goods as they are ordered.

Of course the product still has to be delivered when the customer needs it so it follows that the essence of the DFT process is speed.

An article in the US Fortune magazine explains the way it works. "Achieving zero working capital requires that every order and part move at maximum pace, never stopping. Orders streak from the processing department to the plant. Flexible factories manufacture each product every day. Finished goods flow from the assembly line onto waiting trucks. Manufacturers press suppliers to cut inventories as well, since minimal stocks translate

into lower raw materials prices to the manufacturer. Instead of cluttering plants or warehouses, parts and products hurtle through the pipeline. As velocity rises, inventory – working capital – dwindles. In the 1990s, manufacturers with the least working capital per dollar of sales will reign as the world's best-run companies."

Expansion in Europe

The Worldwide Flow College's European Headquarters has been relocated in Nice to bring the benefits of this revolutionary technology to more of Europe's leading manufacturers. Companies such as Siemens, WABCO, Leybold AG and Heraus are among the leading European organisations which are already realising the benefits of zero working capital.

Worldwide Flow College classrooms operate alongside fully functioning manufacturing laboratories so that graduates return to their companies having experienced a 'live' Demand Flow business environment in which they have gained essential 'hands-on' experience. Students also work with state-of-the-art computer systems that support the technology and formalize it into a business strategy and receive assistance to further their knowledge of DFT Line designs, Flex Windows, Kanban, Flow Costing, TQC and other subjects.

The experience of Worldwide Flow College client WABCO gives an idea of what can be achieved. This UK based American Standard Company used to take three weeks to manufacture a pump, based on a one month lead time. After implementing DFT the same pump is now produced in just six minutes. The effect on working capital is equally dramatic. From around \$13 million five years ago, the figure in June 1995 was a negative \$154,000 – made possible because payables exceeded receivables by more than the much-reduced inventory cost.

"The expansion of the Worldwide Flow College's European Headquarters," says John R. Costanza, "is a clear sign that Europe's leading manufacturers are aggressively expanding and strengthening their competitive positions."

