



Confidence soars at Thames Timber

Thames Timber Forklift Driver, Matthew Kaka

Productivity is on the rise at Thames Timber Limited after workplace literacy training helped staff understand key performance indicators for the business.

Thames Timber is one of New Zealand's premier grade timber mills and Southern Cross Forest Products' largest appearance grade sawmill.

It employs 160 staff who process timber from logs to finished products for American and Australian retail DIY stores. The company produces 80,000 cubic metres of timber each year.

Operations Manager, Conrad Whittle, says the company wanted staff to learn the basic economics of the business.

"We needed people to understand our key performance indicators (KPIs), how they are measured and why they are important to the business."

The company's KPIs relate to safety, productivity, yields, quality assurance and continuous improvement.

"Suddenly, we've got a step change. We've got understanding and buy-in, a boost to confidence and morale. People are able to contribute to the bottom line rather than coming to work, going through the motions, and going home."

The company worked with training provider, Valley Education and Training Enterprises Ltd, to develop a year-long programme tailored to the business. It was rolled out to 50 people from late 2010.

Training was funded by the Tertiary Education Commission and took place on site during work time. A second programme currently underway aims to improve literacy and numeracy for 25 team leaders.

Improved business understanding

Whittle says training helps staff make better decisions.

"That's where we get the big gains that create more value for the business."

In one activity, employees learned to calculate lineal metres, convert them to cubic metres, and work out dollar values of lengths of timber and finger joint blocks.

IMPACT

**12% increase in output by drymill
afternoon shift**



“We can’t understand our yield and productivity KPIs without understanding the math behind conversion, especially cubic meters to lineal meters. This is what makes our business tick.

“It was a big turning point for us when people got it. They could see the money was significant. A 1% overall improvement in yield is worth over \$500,000 annually.

“Small improvements in uptime (reduced downtime) adds up to big, valuable productivity gains. A minute for us is worth \$100, a work shift is \$100,000. When they understood that, they were kind of blown away.”

Higher productivity

If sustained, improvements in productivity at Thames Timber will represent gains of over \$500,000 a year.

Training taught employees to read graphs, understand information and offer critical reasoning.

“Now, we have well displayed statistics and people can look at them and understand cause-and-effect in number and graph form. It’s helped people get their head around product recovery and continuous improvement.”

Following training, error rates have dropped from 3% to less than 1%.

“The drymill afternoon shift has increased output by 12%. The optimisers have increased timber recovery (yield) of 3% overall and there is still opportunity to make further improvements.”

Better health and safety compliance

Attitudes to safety have improved and the mill has recorded no serious harm accidents over the past year.

A list of commonly used words covered in training now sits with health and safety forms to help staff fill out forms more accurately.

IMPACT

3% increase in timber recovery

Staff have introduced health and safety initiatives including accident simulation exercises, fire extinguisher training and improved safety signage.

Increased confidence

More confidence leads to better communication, with staff coming up with opportunities for improvement in the workplace.

“They have come up with hundreds. Their ideas are worth \$265,000 annualised.”

Training has also provided a foundation for higher learning as employees are motivated by opportunities for the future.

Mill workers are currently working towards the Competitive Manufacturing Initiative (CMI) level 2 and team leaders are working toward level 3.

“Training has made a real difference to the company’s bottom line.”



Thames Timber Operations Manager, Conrad Whittle

Research shows about 4 in 10 New Zealand working age adults have difficulties with reading, writing, maths and communication.

New Zealand’s poor adult literacy rates are considered a serious issue that cost businesses through accidents and injuries, high wastage, mistakes, missed deadlines and low productivity and profitability.

www.skillshighway.govt.nz promotes workplace literacy training to employers, and offers free resources and advice.

Read the case studies to find out how workplace literacy training is helping to tackle these problems.

The Department of Labour was integrated into the new Ministry of Business, Innovation and Employment on 1 July 2012. All references to “Department of Labour” now refer to the Labour Group, Ministry of Business, Innovation and Employment.

New Zealand Government

