

Transformation into International Strategic Supply Partner



“There is a national need for competitive and match-fit suppliers who are able to win work from companies like Rolls-Royce. What Castle has done is what we all do every day: look at our costs and how we can reduce them, look at how we increase the quality of what we do, and look at how – through clear, leadership, technical and business process innovation – we can make our business more competitive and win more orders.

The government’s funding of Sharing in Growth has made a significant difference to our supply chain, as well as to others in the aerospace sector.”

Warren East

Chief Executive, Rolls-Royce

The Background

Castle Precision Engineering has recently secured an £80 million order with Rolls-Royce to supply them with parts for the Trent series engines.

This major long-term agreement was a record milestone for Glasgow-based Castle which is now in its third generation of family-owned management. It marked the company’s successful transition from being a capable machining contractor to an international strategic supply partner through partnering with Sharing in Growth (SiG) from September 2013.



Challenges

In 2013, the company was struggling to compete against low-cost sources and remain relevant in an increasingly global marketplace as clients sought newer and cheaper solutions.

The old attitude of “Castle knows best” was not working anymore and the order book had fallen from £1.5 million to £1 million per month. So managing director Yan Tiefenbrun and the Castle board decided it was time for total business

transformation and applied to join Sharing in Growth, UK aerospace’s not-for-profit productivity and competitiveness programme.

The Solution

To drive up competitiveness and win new business, Sharing in Growth's initial business-wide diagnostic identified several strategic themes and the creation of detailed plans for growth.

Operational performance was key to improving productivity. So, with Sharing in Growth training and on-site support, Castle implemented lighthouse manufacturing cells where teams could learn best practice that could be rolled out across the business. This builds confidence and skills and sustains learning effectively.

For example, to achieve the required 50% productivity increase in one major defence cell, a cross-functional team mapped and analysed the processes and changed the machine layout so they could eliminate a high level of manual intervention, reinforcing this with disciplined visual management boards to maintain control.

In a neighbouring cell, another team put in 'lights out' automation, to achieve 95% unmanned operation and a subsequent 33% improvement in lead times. And when another lighthouse cell managed to reduce costs by £2.4 million, Castle returned the saving to the customer, a

strategic decision that cemented its position as a key competitive supplier.

Regardless of the project, the company has seen its best results when actively involving cross-functional teams in every step of the process. Indeed Castle has seen its employee engagement rise as high as 96% when getting this formula right.

Castle carried out and acted upon employee engagement surveys and employed production and business visual management boards to coordinate various projects and track performance. Improved internal and external communication supported Castle's commitment to Rolls-Royce's Zero Defects scheme as any non-conformance could be identified and rectified close to source rather than found at final inspection. This has given the customer data and confidence to reduce inspection on 60% of product features.

Improvements in floorspace utilisation have freed up around 12,000 square feet which means Castle can invest new projects, automation and machinery and grow with its customers, fulfilling their ever-increasing quality, delivery and cost targets.

Through SiG's innovative practices and its lighthouse cell initiative, Castle has:

CONTACT CASTLE

0141 634 1377

sales@castleprecision.com

www.castleprecision.com



Developed a sustainable growth strategy with an average annual turnover of £20 million



Completely revamped its leadership and culture



Implemented world-class technical and business processes



Reduced costs and invested £2 million in plant and machinery



Fostered strong customer relationships, increasing sales by £4 million in one year



Winners of 2019 Sharing in Growth Ikigai Award