Birgit: What do you mean, they don't fit, José?
J: Basically, Birgit, your Production department put the wrong type of fitting on the pumps!
B: My Production department, José! Hold on! First of all, Sales didn't warn Production that they wanted things this early. That made things very difficult. We had to organize an extra shift.
J: Well, yes, I'm sorry about that. We'll try to give you more warning next time.
B: That was bad enough. And Stock didn't make things any easier. They shouldn't have sent two different parts to the workshop in the same delivery. And, to top it all, they delivered them at the last minute! OK, I'm prepared to admit that there may have been a problem, but you can hardly blame my people in Production if they didn't spot the difference!
W: But wait a minute, Birgit. The Stock department didn't make a mistake. If you remember, at the last Logistics meeting, we – yes, you, me and everybody else – decided to deliver different parts together to reduce stock movements!
B: OK, Willi. OK, I accept that, but Stock did deliver late. And Sales should've given us more warning!
J: More warning! How could we give you more warning? You know that Airbridge only increased their order two weeks before the final delivery date! It's always the same. The customer ...
W: Now take it easy, both of you. We're not going to find a solution if we spend all our time blaming each other. We've all made mistakes but, as I see it, the underlying cause seems to be customer pressure. So, let's put our heads together and see how we can improve our reaction time without compromising our quality ...

3.4 Speaking: Delivering presentations

1:51–1:54

Speaker 1: Anyway, the ACI has shown an increase on the marginal propensity gradient of 4.5% over and above the CDWLP.
Speaker 2: Well, that's as you can see an increase OK in the rate of sales growth over the quarter and this rate of growth OK continued OK into the new year which was completely unexpected OK and then ...
Speaker 3: As is clear from the graph, there was ... as is clear, there was an important development, erm ... important change in the market structure during the previous ... year.
Speaker 4: Obviously, we aim to do a profit. We always expect to do a profit, and I'm sure we will do a profit. The sales team are really making a great job.

1:55

So, this graph shows the PFR, that's the Part Failure Rate, per ten thousand over the first ten months of the year. As you can see, it was pretty high for the first four months, around seventy on average. And that's why we set up the quality improvement plan in April. By the way, I'd just like to thank Magda for her input on the plan. I think you'll all agree she did a great job. Anyway, the first results were very promising, with PFR falling to thirty-five in May and then twenty-eight in June. However, since then the rate has got worse again, rising to forty-four in August and forty-seven last month. So, we need to turn things around again. In other words, get the rate back down in the twenties, or better. And basically, that's why we're here today: to look at the reasons and some possible solutions. ... Is that clear so far? ... Good, well, I think that covers the basic problem, so now I'd like to look at some of the reasons we've identified. Let's look at the next table which shows ...

3.6 Case study: Zaluski Strawberries

1:56

Piotr Sieberski: Piotr Sieberski.
Suzanne Van Peeters: Good morning, Mr Sieberski. This is Suzanne Van Peeters from Schuurman in Amsterdam.
P: Ah, morning, Ms Van Peeters. I imagine you're calling about the email we got from you yesterday.
S: That's right.
P: Something about a quality audit, wasn't it? I don't think you'll find much wrong with our strawberries in terms of quality.
S: I'm sure you're right, Mr Sieberski. We've always been very happy with your fruit. But, as I mentioned in my email, we're currently running audits with all our fresh fruit suppliers. Basically, it's a matter of looking at a wide range of issues which may impact fruit quality, and seeing where there may be room for improvement. You know, trying to sort out any potential problems before they happen.
P: Well, of course, you're welcome to come and see us if you want to, but I'm not sure what can be improved, really. Your purchaser comes here at least once a year and he's never had anything negative to say about our strawberries, apart from the price of course!
S: Yes, well, in fact I was calling to fix up a visit to you. Our supplier audits generally last a day or two and I was wondering whether you'd be free to see us towards the end of next week?
P: Next week? ... That's rather short notice and we are pretty busy at the moment, but ... hold on ... Let me check my schedule ...Yes, I guess I could see you on Thursday and/or Friday if that suits you?
S: Perfect, Mr Sieberski. Thursday would be fine. We'd probably be arriving the night before, so we could start as early as you like on Thursday morning.
P: Well, I get in around seven most days, Ms Van Peeters. That gives me time to look at the important matters before things really get going and I'm interrupted every five minutes!
S: Seven! Well, we'll give you a bit of breathing space, Mr Sieberski. How about eight thirty?
P: Suits me fine, Ms Van Peeters. So that's eight thirty on the fifteenth.
S: Great! Looking forward to seeing you next Thursday.
P: Yes! See you then. Thank you for calling! Goodbye.
S: Goodbye, Mr Sieberski.

1:57

Suzanne Van Peeters: Perhaps we could begin with harvesting, Mr Sieberski. Who does that?
Piotr Sieberski: Well, the farms hire their own workers each season, generally students or local people.
S: And, do they get any training?
P: That's the responsibility of each producer, but I know most of them do some. After all, it's in their own interests.
S: What about supervision and picking bonuses to make sure only sound fruit are picked?
P: Most farms pay a small productivity bonus if daily picking targets are met, but it encourages quantity rather than quality, I think. And I must admit, there's little supervision of the picking crews.
S: And how is the fruit packed for transfer to your cooler?
P: The pickers put them in standard wooden trays, ten centimetres deep. Then the trays are placed on trailers and, when the trailer is full, it's pulled to our shed by tractor.
S: Isn't that rather long, Mr Sieberski? I mean, how long do they take to get from the field to your cooler?
P: Oh, um, on average, I reckon, three or four hours. Maybe more if several trailers arrive at the same time. In the cooler, the berries are cooled to a temperature of three degrees. Then they're placed in the storage shed until we can pack them.
S: I presume the storage shed is chilled too?
P: Well, yes, it is. The thermostat is kept on two degrees but, to be honest, we haven't got time to keep records. The picking season is always such a mad rush you know, Ms Van Peeters!
S: Yes, I can imagine.
P: From storage, the strawberries go to the packing shed. But, I'll let Klara tell you about that. She's been our packing shed supervisor for seven years now and she knows the job inside out. Klara.
Klara Solak: Thanks, Piotr. Well, Ms Van Peeters, the packing shed is where we put the berries into the punnets for retail sale in outlets like yours. It's seasonal work, and most people imagine that it's unskilled. But I can tell you that good packers are not easy to find.
S: And what about training and bonuses, things like that?
K: Of course, we give them basic training when they're hired: fruit selection, careful handling to avoid bruising, that sort of thing. But they learn on the job otherwise. They're paid according to what they pack in a day so there aren't any bonuses. In fact, we've been looking at the idea of a bonus based on the quality of packing. You know, making sure that they don't put bruised or decaying berries in the packages, and so on. But, quite honestly, it's not very easy to measure that sort of thing.
S: Yes, but it would certainly be a good idea, I'm sure, and there'd be benefits all along the line. As supervisor, do you check the quality of fruit being packed?
K: Huh! Not as much as I'd like. You see, I'm usually packing too, covering for absent staff, that sort of thing.
S: I see. Now, what about shipping?
K: Well, the punnets are loaded onto trucks for shipping to customers around Europe. Now, we require the trucks to have refrigeration systems and be cooled to zero before loading, but we don't check them systematically.
S: Hm, well. Thank you for your explanations, Mrs Solak. Erm, let me see. Ah, yes. One last question for the moment, Mr Sieberski. I'm sure you're aware that the use of nitrogen fertilizers can lead to softer fruit, lower sugar content and less flavour. Do your farmers use nitrogen?
P: Yes, I'm aware of the problem, Ms Van Peeters, and at the moment a lot of them still use it. But it's an expensive operation anyway, and most of the producers in the region are planting new varieties of strawberry which don't need nitrogen. So, I reckon that the practice will have died out within the next two or three years.
S: Well, that's encouraging! Good, now perhaps we could go and look at ...