



## Spot Light On...



### Simon Street Management Accountant

Since joining here I have worked my way up through the ranks, learning as much as I can about each role and how the company and industry works.

I started working for Rudolph and Hellmann Automotive in June 2007 as an Accounts Assistant. Joining the company gave me the opportunity to put my studies in to working practice leading to my AAT qualification (Association of Accounting Technicians).

Just under a year later I joined the Management Accounting team as an Assistant Management Accountant, concentrating mostly on the BMW Oxford contract, which once again led nicely in to my studies towards my CIMA qualification (Chartered Institute of Management Accountants). Today I am lucky enough to head the team as the Management Accountant.

Working at Rudolph and Hellmann Automotive has given me the opportunity to work alongside people at all levels whether that's within Rudolph and Hellmann Automotive or directly with our customers. The really great thing about my work is contracts like BMW Oxford give me the opportunity to visit the plant and see what we do there. From taking delivery of components, storing parts in the racking, through to supplying them to track and seeing the cars drive off after assembly.

Out of work, I enjoy golf and fishing or occasionally doing something a bit more challenging like surfing, sky diving or climbing Snowdon and Grouse mountain in Vancouver, Canada.

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# Automotive PRODUCTION LOGISTICS



Quarterly newsletter from Rudolph and Hellmann Automotive

Spring 2012

The only providers of dedicated on-site production and reverse logistics for the automotive sector in the UK

## ZF Lemforder UK choose activity based cost logistics

### Growth is the driving reason for change. Purchasing Manager & SCP Manager ZFUK, Paul Miller tells us why...

"With JLR's ambitious expansion plans and the recent announcement from Toyota to build new Auris here in the UK, there are enormous opportunities. If we are to step up our production capability, the logistics operation needs to be flexible and performance related. Activity based cost is becoming the ZF Lemforder corporate standard and is commonplace across our German operations."

#### Activity based cost is the only response to this steep increase without risk

"With 12 months to run on the current contract I was given the challenge of securing a contract with a 3pl provider who would work based on an activity based cost. Although this is standard practice across the automotive industry in Germany it doesn't appear to be common in the UK. My counterparts in Germany provided me with the framework to draw up the RFQ and I approached the UK's leading on-site 3pl providers."



#### Only three 3pl's responded to the 'activity based cost' contract opportunity

"One 3pl initially said they could do it and then changed their mind at the second round. A second 3pl provided a cost, which was a significant increase, even when based on our current activity levels. Only Rudolph and Hellmann Automotive could provide a true activity based cost solution." *Continued on page 2*

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### 10 Year Service Awards a regular event!

Another 24 Rudolph and Hellmann Automotive employees passed the 10 year milestone and the event was marked at the Oxford Spire Four Pillars Hotel with Bernd Oevermann, Director Hellmann Automotive Logistics, Martin Rollings, Managing Director, Jeff Hyde, Finance Director and Mark Cranidge, Operations Director.



Michela Hamilton, Admin Manager  
"10 years is a fantastic achievement, working for Rudolph and Hellmann is a challenge but in a good way. We have a great team who get on well together which always helps."



Jeena Banta, Supervisor  
"If you work hard like I have you will do well and get promotion. I really enjoy working for Rudolph and Hellmann."

Alan Barnett, Warehouse Operative  
"Rudolph and Hellmann is a very good company to work for. I really enjoy the job, it's varied and for me it's great to be still working at my age."



Stuart Partlett, Operations Manager  
"I've been here from the very beginning. Rudolph and Hellmann have looked after me but we work hard, you only get out what you put in. We are like a big family, we look after each other."

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Supply Chain Consultation	Process Implementation	Contract Logistics	FREE Supply Chain Audit & Healthcheck
Discreetly assess your inbound and outbound supply chain and submit a detailed report on the areas you can improve and save money. <ul style="list-style-type: none"> <li>Discreet Assessment</li> <li>Full Logistics Audit</li> <li>Process Mapping</li> <li>Process Re-Engineering</li> <li>Process Development</li> <li>Error Proofing</li> <li>Tender Specification Creation</li> </ul>	Set-up your inbound and outbound supply chain to maximise efficiency, recruit and train your people and step away when everything is working. <ul style="list-style-type: none"> <li>Consultation and Evaluation</li> <li>Recruitment and Implementation</li> <li>Spot Audits and Support</li> </ul>	Provide you with a complete out sourced cost centre operating to your SLA and KPI's. <ul style="list-style-type: none"> <li>Fixed Term Contracts – from months to years depending upon your requirements</li> <li>Rolling Contracts – should you wish to continue a fixed term contract but not wish to enter into another fixed term contract</li> <li>Project Based Contracts – if you have a specific, defined project that you would like us to work on</li> </ul>	Our FREE 'on site logistics' audit – carried out under a non-disclosure agreement anywhere in mainland UK. Drive out excess cost and inefficiency from your manufacturing supply chain through better processes, systems and training. Our findings will be reported in full confidence and will provide a detailed analysis of where savings and improvements can be made. <p><b>To find out more call us on 01543 441670</b></p>

## 2 Million Vehicles and Counting...



### The 2 million vehicle milestone was reached on Thursday the 6th of October 2011, on the evening shift of production at the UK plant in Oxford

This is an amazing achievement for the plant and it's staff, who have worked for over 10 years producing the historic and iconic model.

Throughout this time Rudolph and Hellmann Automotive have supported the manufacturer's requirements at the plant by providing on-site production logistics services. Ranging from parts receipt, picking, putaway, parts splitting, sequencing, pre-assembly, stock-control and linefeed delivery.

#### Ensuring the Manufacturer receives best-in-class service

"Continuous improvement, innovations and smart working is the secret, and working with the manufacturer's operations team, Rudolph and Hellmann Automotive have worked in partnership to deliver on this mantra. The achievement follows the global 2 million build milestone which occurred two months previously, as the famous model is also built at other plants across the globe." **Martin Rollings**, Managing Director, Rudolph & Hellmann Automotive

For the full case study visit [www.rh-automotive.co.uk/news-and-case-studies/2\\_million\\_vehicles](http://www.rh-automotive.co.uk/news-and-case-studies/2_million_vehicles)



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## Rudolph & Hellmann open a new distribution centre for Ford



Dubai, November 14, 2011. Rudolph & Hellmann Automotive opened the new Ford Motor Company Parts Distribution Centre in Dubai (United Arab Emirates) today.

Its aim is to centralize the supply of Ford replacement and service parts in the Middle East. The 29,500 square meter logistics centre in the Jebel Ali Free Zone will accommodate around 50,000 parts and 6 million components, thereby ensuring central distribution of Ford replacement and service parts for the Middle Eastern region. At first, the centre will occupy 50 commercial and industrial employees. This number is set to increase to up to 100 in the foreseeable future. This makes Rudolph Hellmann Automotive the leader in replacement parts distribution in this region.

The joint venture, Rudolph & Hellmann Automotive (RHA) unites the know-how of the Rudolph Logistics Group, Baunatal, and Hellmann Worldwide Logistics, Dubai, in the field of international automobile logistics. RHA controls the storage and picking for the Ford Parts Distribution Centre, while Hellmann Worldwide Logistics takes responsibility for distributing the parts in the region

The new Parts Distribution Centre is equipped with a shelving system and pallet racks. The goods arrive bundled as sea and airfreight consignments from the central Ford warehouses in North America, Europe and Asia. Ford dealerships in 11 different Middle East countries have access to replacement parts, from spark plugs to chassis parts. Apart from the United Arab Emirates, Saudi Arabia, Oman and Kuwait, among others, will also be supplied.

**Significantly Higher Level of Service**  
The Parts Distribution Centre guarantees direct and permanent parts availability in the Middle East. Consequently distances and delivery times are shortened, and the degree of service is significantly increased for dealers and customers. Thus, Rudolph & Hellmann Automotive aim to shorten the time span between order placement and delivery by up to 90 percent.

**"The new Parts Distribution Centre is Ford's largest investment in this region to date"** **Frederiek Toney**, Vice President, Global Ford Customer Service Division, Ford Motor Company.

Bernd Oevermann, Director Hellmann Automotive Logistics and Steve Giuffrida, Parts Distribution Center Manager, Ford Motor Company, Middle East

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## Faster, cheaper, more flexible solution reduces costs and increases efficiencies



Dismantling of the racking



Re-assembly of the racking

Over the past 10 years the automotive industry has changed dramatically. When working in an environment, which was designed for manufacturing over a decade ago, it's no surprise things needed to change.

### The question is how much and at what price?

The Rudolph and Hellmann Automotive team identified that if the Narrow Aisle racking configuration could be replaced with a Wide Aisle configuration, the VNA truck application could be replaced with a faster, cheaper more flexible reach truck application, delivering cost savings and operational efficiencies at the same time.

With the cost savings agreed and the project given a green light by the manufacturer, the next challenge was deliver the revised racking and MHE solution within a 4 month stipulated timeframe. Oh yes, whilst maintaining the operational service levels as stipulated within the renewed contractual service level agreement!

**"The whole racking re-configuration project was successfully completed within the boundaries of the planned timeframe."** **Mark Cranidge**, Operations Director, Rudolph & Hellmann Automotive

The revised layout further allowed the Rudolph and Hellmann Automotive Operations team to re-evaluate the MHE fleet deployed within the operation. This resulted in the use of more cost effective reach truck applications over the combined VNA 'Man-up' applications. The greater use of reach truck applications was now also synergising across the whole operation, which further reduced overall equipment and resource costs.

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## Dave marks over 50 years in Automotive Manufacturing...



Dave Pearson in front of the original Pressed Steel sign at Cowley

**Dave Pearson has completed over half a century and spent the last decade with Rudolph and Hellmann Automotive. Here, he shares his views on the changes he's witnessed during this period.**

At the tender age of 15 in 1958, Dave Pearson joined Pressed Steel and started a career in the automotive business which was to run for a glorious fifty-three years and twenty-one days.

Pressed Steel, which later became Pressed Steel Fisher may not sound like any automotive company around today. However when you discover the brands manufactured at the Cowley plant you begin to realise what a significant and busy place it was. Rolls Royce, Rover 90, Vanden Plas, Singer, Wolsey, Riley, Sunbeam Alpine, Hillman Minx, the 'frog-eyed' Sprite, the Morris Oxford Farina and the MGB were all manufactured at this location.

The Cowley site was responsible for the 'body and white,' which meant the panel fabrication and assembly prior to the paint shop.

The cars manufactured all had different destinations from this point. The Rolls Royce's were shipped out to Crew, the Rover's to Coventry and the Morris's went to the paint shop on site before crossing the road to the then Morris Motors plant for their trim and completion.

"During my time here at Cowley I've seen a serious fire and a major flood. I'm the only person to work here on both the original Mini launch in 1959 and the new Mini launch in 2001. The change in the industry is remarkable. Standing here today, the investment made by BMW and the modern processes used have seen my final years at Cowley under the management team at Rudolph and Hellmann Automotive. They have been a really caring company to work for during my final years here. It's great to see the UK manufacturing once again going from strength to strength.

"I'll miss the camaraderie of working here but I'm looking forward to spending more time with my lovely wife, Barbara".

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## Rudolph and Hellmann Automotive were willing to share the risk and drive performance improvement

With only 9 weeks to run on the existing contract there was a lot to do in a short period.

"The biggest concern was that the switch of 3pl providers didn't disrupt our production or impact on our customers. The TUPE implications with the transfer of staff added to the complexity of the switch over. The Rudolph and Hellmann Automotive implementation team gave us confidence, they were sensitive in every dealing with the people being TUPE'd over and the

communication was excellent. Clear, concise, highly detailed but to the point."

"The switch couldn't have gone better or been easier. Everything has been as I would have hoped, if not better. The improvements are coming through as Rudolph and Hellmann Automotive focus on specific KPI's to continually drive out inefficiencies. Every week we have a meeting to share information, identify a focus for improvement and review KPI's."

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## Car Tax v Fuel Tax – Which is the fairest?

Activity based costs are like fuel tax, you only pay for what you use.

**"Car tax is like contract logistics, which means there's no incentive to improve the operation if a contract is paid by the hour."** **Jeff Hyde**, Finance Director, Rudolph & Hellmann Automotive  
2008 delivered a huge blow to the global automotive industry. With multiple car manufacturing plants extending shutdowns and working on reduced hours to reduce costs.

Then came the shock, there was one cost most manufacturers couldn't cut.

Even though the workload had dramatically reduced, the logistics contract remained the same. This meant a set fee was invoiced every month. The contract was centered on the current contractor performing a number of standard key activities at a fixed cost. This was a fee charged whether required activities needed to be carried out or not.



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