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The sure and certain way to deliver logistics systems

Most logistics executives will understandably concentrate on specification, performance and price when evaluating proposals for automated handling and storage systems. Yet just as critical to a successful project is the way in which the system has been designed and the management disciplines in place to ensure a smooth, on time and on budget installation and implementation programme. Keith Edmonds from international automated logistics systems supplier Logistex reveals the secrets of the company's internal project management process and how it is designed to effectively control each stage from initial client contact through to project sign off.

“In today’s competitive environment delivering an efficient system is only part of what more discerning clients expect. No matter how well designed a system may be, the client’s perception – and the long-term success of the project - will be deeply affected by the way it is managed by the supplier.

For a number of years Logistex has been using Stage-Gate, its own management framework to help internally manage and externally communicate the progress of each project. Developed and evolved from the company’s experience going back more than five decades, it provides proven added value and assurance to clients throughout the design, delivery and installation process.

As the title implies, the process breaks each project down into a series of phases or stages. At each stage the team’s activities and progress are reviewed by a nominated Gate-Keeper and the decision is taken to allow the project to go through the gate to the next stage, or to be rectified as required before progressing. The process starts from the initial review and quotation and continues until the client has confirmed that they are satisfied with the system’s delivery and performance.

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It's a flexible framework which also recognises that no two projects are identical, and we have made sure that the process remains as simple as possible to avoid any unnecessary paperwork. Stage-Gate is a flexible and adaptable process that works equally well with both simple and large-scale, complex projects.

Each stage comprises a series of work packages, which defines a set of deliverables that fit into the main master project schedule and which become part of each Stage-Gate evaluation structure. The complete process consists of 13 gates, which we have found sufficient to cope with even the most intricate projects and avoids excessive administration.

Each significant sub-project and work package is given a budget and schedule, including a cost and time allocation. No work should be undertaken without a signed off budget which helps to minimise anyone spending time and effort in activities that do not play a direct and identified role in the project.

However people manage systems and not the reverse, and Stage-Gate has a number of guidelines to help staff deliver their work more simply and with minimum effort. The most conscientious people are often those who take on more than they can manage so everyone is encouraged to make an honest and authentic promise about their workload. Managers thus have a better understanding and are able to allocate and control tasks within the individual's capabilities.

One of Stage-Gate's most valuable tools for both the process and people is that it encourages open and honest feedback to help identify areas for improvement and where individuals see a better way of working.

Managing Risk

It's a fact of life that everything carries a risk. So rather than ignoring the fact or hoping that nothing will go wrong, we use a Risk Management programme to help the team evaluate potential pit-falls and how they can be most effectively identified, managed, controlled and minimised.

We take into account the likelihood of the event occurring, the potential impact, what steps can be taken to prevent it happening or at least mitigating its effect and any alternative courses of action that might be needed.

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How Stage-Gate helps improve performance

The system supports good project management practices while allowing all involved – both on the Logistex team and the client side - to use their common sense and experience.

It helps us identify and manage our commitments. From the earliest stages it is vital that we as the supplier fully understand what is involved to deliver the project in terms of technology, resources and experience. As a 4th party integrator without any manufacturing ties, we have greater freedom to seek out the most suitable products and technologies for each individual assignment.

Stage-Gate provides the right structure and environment to enable us to control the project's momentum, ensuring that we stay in command and do not allow events to run away with the plan.

Once our clients see and understand how Stage-Gate works they invariably feel more sure and confident about our ability to manage even the most complex projects and are keen to have their own team involved. This helps to create a team spirit with everyone committed to the project's success and that everyone is pulling in the same direction.

The principles we apply hold good wherever we operate in the world, regardless of language or cultural differences. Projects as varied as Coca Cola bottling plants in the UK, Romania and Belgium, and distribution centres for Wolseley and Wincanton confirm the value that the Stage-Gate process has brought in helping us to deliver on-time, on budget and to specification projects that have delighted clients in every business sector.

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