

# Big Macs a goal for Electrolux

BY PAUL FAHY

JASON Furness envisions a day when quality refrigerators roll off the production line at Electrolux Refrigeration Products almost as fast as Big Macs at McDonalds.

"I would love to see our factory become closer to McDonalds in terms of supply chain performance and order to delivery timing.

"If we could produce and ship a fridge immediately after a customer places their order, the cash flow benefits would be huge," Furness said.

The GM of the last remaining refrigerator manufacturer in Australia might not be able to keep pace with the fast food giant just yet, but the cash flow and customer service improvements that his Orange-based factory has achieved over the past four years are cause for celebration and optimism.

"Our business is still a work in progress. There's a lot more cash lying around just waiting to be picked up and I suggest the same is true for many other manufacturers.

"Learning and adapting is what the businesses that get past this economic bump in the road will have done," Furness said.

After two decades in both the steel and automotive manufacturing industries, Furness arrived at Electrolux as the group was progressing with a program to dramatically restore the profitability of its Orange factory.

Inventory was being significantly reduced, good manufacturing systems were being installed, and the factory's near 600-strong workforce were really beginning to work together.

"Very simply, the goal was to alter the business and its systems to make more money now and into the future. When people wanted to buy one of our fridges, we had to be able to supply them quickly without having masses of cash tied up in stock," Furness said.

The program touched almost all areas of the business, including raw



I would love to see our factory become closer to McDonalds in terms of supply chain performance – Furness.

materials supply, production, scheduling, distribution and new model development, and the results speak for themselves.

Electrolux Refrigeration Products pumped out more than 300,000 fridges in 2008, as the company expanded its exports throughout Asia. Today, it is the most profitable refrigeration business in the group.

Furness is one of more than 70 speakers preparing to take part in Smart 2009 Conference, 10-11 June, which will tackle the major issues fac-

ing supply chains in a time of increasing economic uncertainty.

In his presentation, Furness will outline the role that the Theory of Constraints (TOC) and Lean Manufacturing played in achieving these results and explain how the two are highly complementary technologies that can help businesses thrive.

"TOC helps you analyse and review

the total system, then work out where to focus your resources to get a result fast. For a factory, I call it a telescopic sight you use to aim all of your other lean tools and techniques at the one area where it will make the biggest cash impact," Furness said.

In one of the worst global economic periods on record, Furness said it is more important than ever for businesses to explore new business strategies and embrace supply chain innovation. For further info on Smart 2009, visit [www.smartconference.com.au](http://www.smartconference.com.au).

## LETTER TO THE EDITOR



Hi Alan,

IN my opinion you are far too optimistic about Australian manufacturing's future (April 09 issue).

I realize that you must be responsible and try to support the industry, and that it would be remiss of you to publish negative things.

However, I believe that you should also be realistic. With the constant stream of manufacturing companies closing down in Australia, the truth of the situation should be reported.

The increasing flow of imported finished products is slowly but surely degenerating our industry.

When I first started working in this company in 1964, Australia was producing television sets, radios, clothes, shoes and we even canned our Australian produce.

Today, all of that has gone, and what we have left will be gone very soon, as there is no protection from our government agencies. An Australian manufacturing company competes with Asian companies on a completely different level.

Asian companies do not pay workers compensation insurance, or compulsory 9% superannuation, or have 4 weeks annual leave with 17.5% loading, or sick leave, or maternity leave, or fringe benefits tax, or payroll tax, and the list goes on and on.

On top of all these items, the government has signed the Pacific agreement to delete import duties.

This all adds up to the point where manufacturing companies will not be supported and eventually will close down. This is the reality of it and I would like you to express the truth in your editorial.

Regards

Greg Tesoriero (Tess), F X Plastics, NSW.

**DOOSAN**



**2009 MODELS AT  
2008 PRICES**

**aus-  
tech**

12th - 15th May 2009  
Melbourne Exhibition Centre  
Southbank, Victoria

See us at stand  
**A60 & B60**



**Hartford**

The machining centre company

**HARE & FORBES** 100% Australian Owned Est. 1930  
**MACHINERYHOUSE**  
"Setting the standard for quality & value"

[www.machineryhouse.com.au](http://www.machineryhouse.com.au)

Ph: 1300 CNC SALES or 1300 262725