

THE **HIGHEST** LEAN MANUFACTURING STANDARDS TOAST **ACCOLADE WINES' SUCCESS**



**Accolade
Wines**

Accolade Park is the largest wine warehouse and distribution centre in Europe, producing £50 million cases a year, achieving the highest audit score for any UK manufacturing facility. It's the heartbeat of Accolade Wines, the world's fifth largest wine company and owner of several iconic brands including Hardy's, Echo Falls and Kumala.

Now in its tenth year, the facility employs over 500 people and is home to cutting edge innovation, automation and lean manufacturing practices. Richard Lloyd is the man responsible for site operations and supply chain. He tells Nigel Wright why giving people "the freedom to think, and autonomy to act" is central to Accolade Park's impressive metrics and track record.

Richard was appointed General Manager at Accolade Park in 2010 and has since played a major role in the facility's award winning success. Central to this has been Richard's bespoke lean manufacturing model which has become embedded across the supply chain. It only works, though, says Richard, because of its ability to harness the potential of all 500 people who work there:

"You can't rely on the management team to drive success. That's always been my belief. So, adopting lean manufacturing methodologies has enabled us to create frameworks that give our people the freedom to excel in their roles. We've now reached the point where all our employees, at every level, are making decisions and driving



Richard Lloyd, Accolade Wines

the business forward. If everyone owns their particular process, you can achieve special things."

Special things indeed. Richard highlighted Accolade Park's 'Quality Grand Slam', where every single audit in the last 12 months – including the British Retail Consortium Global Standard, International Food Standard and all major retailers' audits – has attained the highest score possible with the lowest number of non-conformances. These audits cover every aspect of every process, with KPIs

for production line efficiency and the number of orders arriving on time, to the environmental usage of water. It's been years in the making, says Richard, and not a linear journey. But the outcome is an empowered workforce literally "bursting with pride."

Accolade's bespoke lean manufacturing model was, in part, developed during Richard's Master's Degree in Lean Operations Management at Cardiff University, something himself and the business's Continuous Improvement

Manager have undertaken. Since his appointment as General Manager, Richard has also built a leadership team of individuals who specialise in lean manufacturing, with broad 'blue chip' experience across different industries. Together with the help of several leaders with 20+ years' service who offered invaluable knowledge of the business and the industry, it was possible to tailor and perfect the frameworks which underpin it.

As a distribution and production facility, Richard highlighted the importance of process repeatability and reliability. However, to guarantee processes and elements within those processes occur in a certain way every hour of every day, the lean manufacturing model emphasises the importance of frameworks which facilitate local decision-making. But, does this approach slow things down? Absolutely not, according to Richard, who says if someone is clear on their responsibilities and knows how to perform a process, when they take ownership, decision making moves at pace:

"People worry local decision-making will slow things down, but that's completely untrue. Our frameworks give people the freedom to think, but

"People worry local decision-making will slow things down, but that's completely untrue. Our frameworks give people the freedom to think, but also ensure employees understand the boundaries in which they can make decisions."

also ensure employees understand the boundaries in which they can make decisions, as well as the parameters for escalating them. It's a misconception that decisions within this model must pass through a hierarchy. If we haven't achieved a particular target, an intervention could involve bringing in a process upstream or downstream, until the fault is corrected. People always want to do their best and it's made jobs more interesting, enjoyable and rewarding."

Richard has embedded a bespoke Review and Direction Setting (RDS) system as part of his lean manufacturing model and relies on hourly performance reviews to ensure standards are met. These occur across the business too – whether it's a production line, the distribution goods out-bay, in the laboratory or within customer service – and no managers are ever involved. As he explained, employees running different processes conduct performance

reviews every hour. Then, every six and 12 hours, outputs across all metrics are assessed. A snapshot meeting also takes place every 24 hours, where KPIs are reviewed. Processes, therefore, are linked and highly visible right through the supply chain.

Not everyone adapted to this mentality and way of working, says Richard, and the approach has evolved through some experimentation, as well as listening to employees' feedback on what works and what doesn't. He praised the skill and patience of managers that have stayed and adapted their approach, highlighting the difficulty of changing from a directive style, to one focused wholly on empowering others to take ownership: "It's been more challenging for the leadership team to get their heads around, than it was for the employees."

In 2016, Richard was appointed General Manager, European Operations and Supply Chain responsible for



“Accolade Park is now home to several robots. All employees displaced by machines have been redeployed to fulfil more rewarding ‘value added’ roles.”

shipping, procurement, warehouse and distribution. And during the last two years, he’s implemented his lean manufacturing model across the wider supply chain and commercial side of the business too. In the early days, he says, the lean methodology was always considered a manufacturing centric model, but its application is much broader. Even the head of Accolade’s commercial division in Europe now considers it essential. In any project, whether it’s reviewing daily sales or the sales and operation planning process, lean takes centre stage.

The manufacturing, commercial and R&D divisions at Accolade Wines see collaboration as critical to business success. The site itself is an innovation centre, with R&D operations based at the Park. Innovation expos give suppliers opportunities to present the latest developments in packaging and technology. Accolade’s insight team also gives regular presentations, outlining how forthcoming product innovations will link into the supply chain. Despite being the UK’s number one wine company by volume and value, Richard explained, that the complex and competitive nature of the industry means category market share within major grocers is modest. Packaging and format, therefore, are significant factors in determining success.

In recent years, investment has been directed at improving and evolving bottle format and Accolade Park is now the only dedicated wine production facility in the UK that can bottle all sizes. This, of course, was an insight driven decision. An increase in ‘for tonight’ convenience shopping, as well as the trend for drinking in moderation, Richard noted, has

brought wine “out of the dark ages” when it comes to pack variety and format. In addition to launching a 50cl bottle in 2018, Accolade Wines has also introduced a four-bottle case and, over the next few years, will continue exploring alternative offerings to meet consumer and channel demand. Tastes too are changing and the recent acquisition of a blending tank means the business has transformed from being a wine manufacturer, to become part of the wider beverage industry:

“This is how the supply chain plays a leading role in the business – ensuring the necessary agility is embedded throughout to support demand, regardless of taste or format. We are the country’s biggest wine company and understanding trends ensures our product offering is applicable and attractive to a broad range of consumers. Leveraging our R&D expertise also allows us to capture new areas of the market. And as our business evolves and grows it will offer greater choice and flexibility. There won’t be one or two innovations, but rather a multitude to meet all those occasions when people buy wine.”

On the walls at Accolade Park are the words: ‘This place is ours,’ a phrase coined by employees. Like

any modern manufacturing plant, however, Accolade Park is now also home to several robots, but Richard says workers at the plant don’t fear automation. All employees displaced by machines during the last few years have been redeployed into other areas, he explained. This has helped build trust, as well as provide opportunities for people to fulfil more rewarding ‘value added’ roles. For example, last year Accolade purchased three collaborative robots for its packaging production line. Workers who previously collected cardboard and loaded it onto a machine are now involved in blending – a critical new area for the business.

With automation costs decreasing and becoming more available with better paybacks, Richard is aware of the importance of embracing it to avoid falling behind. As processes evolve to meet changing consumer demands, he expects the automation Accolade invests in will change. Being upfront with employees about plans and how they will impact jobs is always top of mind, as is investing wisely to ensure maximum impact:

“We have to remain cost competitive and keep driving productivity forward, but I won’t invest in automation that will become obsolete in three years’ time because demand has changed. Whilst some robotics is getting better in terms of flexibility, it is still mainly repetitive tasks where the best results are achieved. We don’t want our



people performing tasks like this when they could be adding value elsewhere in the business.”

In June 2018, Accolade Wines began a new era under the ownership of American private equity firm, The Carlyle Group, who purchased the business for \$1 billion. Accolade was already the largest wine company in the world the last time it changed hands and investment then helped the business grow its revenue and capabilities. Richard says the investment Accolade

has enjoyed during the last 10 years, especially within Accolade Park, is unprecedented in the industry and has helped consolidate its position as market leader. “We’re fortunate that 10 years ago people had the foresight to make the scale of investment that they did in Accolade Park. We now have a world class facility that is the envy of our competitors. It’s been an incredibly rewarding journey so far, and as we enter this new period of growth, I’m glad to say everyone here is excited by the challenges and opportunities ahead.”