



## PRESS RELEASE

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For Immediate Release

### **PHOTO AVAILABLE: U.K. Businesses Miss Out On Billions In Extra Profit**

*Putting thinking caps on staff could result in additional profits totalling in the short term over the next three years beyond £30 billion pounds - over the next 20, more than £144 billion pounds*

When companies in the U.K. want to know why they are failing to maximize profits, it's because they don't involve their staff in the improvement of their business processes, the latest report from Zambant affirms.

The implications of these sums of money are startling. Reduced costs and increased profit could have significant effects on everything from environmental protection to economic growth, including:

- Reduced cost of climate change initiatives
- A steady climb in the Gross National Product
- Increased international investment in U.K. companies
- New funding for healthcare and social welfare
- Reduce the impact of the pension's crisis

The survey was conducted with companies throughout the U.K. that employ at least 20 people -1126 companies responded. The survey's crucial question inquired as to whether companies involved employees in identifying and implementing operational improvements on an ongoing basis.

How did the companies respond? A resounding 71% answered "no" to the question.

This figure came as no surprise to the expert team at Zambant which reviewed the results of the survey. Companies that involve their employees on a regular basis in improving their operational performance stand to save thousands of pounds per employee.

BMW Group Oxford Plant, where the Mini is produced, implemented more than 8,000 ideas from staff members. Production targets were exceeded by more than 60 per cent and those changes have contributed to savings of more than £6.3m in 12 months and over £3000 per employee in the first 3 years alone. <sup>(1)</sup>

Dr. John Mortimer, Managing Director of Zambant, says. *"Let's be cautious in the numbers. In the UK there are 18.9 million people employed in organisations with 20 or more employees. If we conservatively say that savings of £2250 per employee are achievable in*

*these organisations over the next 3 years multiply that by the 71% who do not involve their employees and you get a staggering £30 Billion. And don't forget these are ongoing savings with year on year benefits – that's more than £144 Billion over the next 20 years....."*

Andy Hobson, author of *The Obvious Office*, explains *"We have been applying lean in the Financial Services sector for over 5 years and in every case performance, as measured by quality, delivery and cost, has improved by a minimum of 20% and often by over 50%"*

The tools and techniques used by Zambant to help companies produce the savings have been used very successfully for many years in manufacturing and it is only relatively recently that the service sector and SMEs are waking up to the benefits.

Trevor Matthews is a specialist in achieving operational improvements says, *"I have worked in several areas of Local Government and with different District Councils up and down the UK....Quite often processes have rarely been reviewed and are often very fragmented. In many cases significant improvements can be made with fairly small changes making Central Government targets relatively easy to achieve"*.

Several leading companies, Toyota and Fujitsu being the most well known attribute their success to enterprise-wide overhauls and in particular involving their employees.

These results are nothing short of remarkable. Nevertheless, such huge savings won't happen overnight. Organisations will have to invest energy, money and commitment if they want to secure greater profit and commitment from their employees.

**##### ENDS #####**

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#### **---NOTES FOR EDITORS---**

A full summary of the report including quotations from BMW and other sources is available along with photograph. Further data and analysis is available by Industry and Geographic Region.

Zambant Ltd are management consultants who specialize in business process improvements. Their consultants have worked in high street banks, local and central government, manufacturing and the service sector delivering lean, process improvements and Hayai Kaizen.

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