WINTERSTEIGER RACKS UP RESULTS

Success on fields and slopes

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There was nothing spectacular about how it started back in 1953. In the Austrian town of Obernberg, Fritz Walter and Johann Wintersteiger’s first sales were for a simple plot seeder and a laboratory thresher for seed cultivators. Sixty years later, Wintersteiger AG can look back on a unique story of success. The company, which has since moved to the town of Ried im Innkreis, is now a highly diversified operation with 810 employees and 18 sites worldwide, sales in 130 countries, and seven different business areas. In three of these areas it is a global market leader: Seedmech (seeding and harvesting machines), Woodtech (thin-cutting machines), and Sports (ski service machines—see pages 44–45).

Wintersteiger could have been satisfied with this successful trajectory. But at a certain point, rapid growth and the associated rise in product complexity in its different business areas began to present obstacles. “Wintersteiger was a typical machine manufacturer,” says Reiner Thalacker, the company’s CEO. “We worked on whatever was needed—without processes or a clear production structure. But with very high inventory levels and outmoded production systems.” The support divisions were also insufficiently prepared for the rise in complexity and changing market demands. So it was only a matter of time before a process of rethinking set in on how to make the company fit for the future. Since 2009 Porsche Consulting has been supporting the Wintersteiger Group on its path to operational excellence.

The approach at Wintersteiger is based on optimizing structures by means of lean.
management. The initial focus was on production and logistics. The company’s own production system was developed, and its logistics were optimized. Eight warehouse sites were consolidated into one logistics center with a takt-based connection to the production plant. A new factory layout has improved material flow and laid the groundwork for switching from workshop to linear production in the assembly area. Different types of machines are now being assembled using just-in-time lines on a model-mix basis. Some 95 percent of components are transported by efficient logistics trains instead of by forklift trucks, and component supply to the production line is done largely independently by suppliers. “Today’s production doesn’t look anything like it did in 2009,” observes Thalacker. “We now have brightly lit, efficient work stations and clear processes.” This in turn means shorter throughput times and dramatically lower inventory levels.

Effectiveness and efficiency have also been increased in development—by means of lean product development and order management processes. New developments and customer-specific orders are handled as projects these days. Cross-functional teams work together on technical solutions. New designs are comprehensively evaluated before being launched on the market, by testing them at customer sites, for example. This results in a far higher level of product maturity, less time spent on reworking, and a degree of perfection that dramatically reduces the number of changes done under warranty. In the first year after it was introduced, quality costs for the Mercury tuning machine were substantially lower than those for its predecessor model Discovery. Moreover, the new development system enables a higher number of variants to be made for customers at comparable costs. “A modular system is what gives us this flexibility,” explains Harald Holzner, Product Manager for Wintersteiger’s Sports business unit.

The sales department was also restructured, with a focus not only on the sales organization as such but also on the entire company. Scrutiny extended to the far reaches of the holding structure with questions such as how the entire group with all of its business lines, brands, and different product families...
THEY’RE CALLED DISCOVERY, MERCURY, AND RACE NC.
THEIR MISSION: TO MAKE SKIERS EVEN FASTER!

ICE-COLD BUSINESS
could be restructured. Or how the sales representatives could spend more time with customers. All of the sales roles were redesigned and a new potential-oriented sales scheduling system was installed. Employees are supported by an extensive manual on all sales processes, as well as by improved SAP routines and an optimized worldwide sales organization. Information about the robustness of customer and market data is now more transparent, and preparation for sales calls is more efficient thanks to “one-click” customer data sheets. “That was absolutely the right step in the right direction,” says Thalacker, adding that “it prepared the ground for further healthy growth.”

The sequence of improvements came full circle with the restructuring of planning and scheduling. “Production is most cost effective when it proceeds at an even pace,” says CEO Thalacker. “As soon as I have to adjust it upwards or downwards, it gets expensive. This is where money is won or lost.” Clear rules now govern the “green zone” and the “frozen zone,” i.e. when changes to the production process can be made and when they cannot because the state is “frozen.” The tasks and responsibilities involved in both work preparation and sales scheduling have been clearly assigned. Index boards make things much more transparent if rules are broken, which in turn ensures that sequences are more stable for production and assembly. As one example, the value-added share of a pilot component rose by 100 percent and inventory levels decreased by 60 percent. As Thalacker observes, “Although we did not generate enormous growth on the market side in 2013, we’ve been showing a strong increase on the result side. That’s where you see successes—thanks to a structured approach to work, and thanks to planning and scheduling that allow me to focus on priorities and that give me production capacities that I can put to the best possible use.”

To counter any skepticism on the part of employees in the face of all these change processes, Wintersteiger placed a premium on consistent, precise communications with the participation of the works council. “Without support and motivational assistance from leadership personnel, you can’t even launch an initiative like lean management,” says Thalacker. From the start, employees from the affected areas were included in developing ideas and methods. Informational fairs and departmental events supplemented the regular flow of information. A key factor in the success of all these changes was Porsche Consulting’s approach of helping the company to help itself. After about a year, Wintersteiger AG was able to guide most of the improvements on its own, using set methods. This was clear when it acquired financially troubled Kohler, a company that makes leveling machines. Wintersteiger itself introduced a lean order management process, a lean production system, and new factory planning. As Thalacker sums it up, “Lean management helped us get the Kohler company back on its feet.”

Wintersteiger AG

The Wintersteiger AG Group includes the following business areas: Sports (ski service), Bootdoc (high technology shoe inlays), Drytech (drying solutions for work clothing), Seedmech (field research equipment), Woodtech (thin-cutting solutions), and Banso (band saws for wood and food). Wintersteiger is a world leader on the market in the Sports, Seedmech, and Woodtech areas. Its latest acquisition is Kohler Maschinenbau GmbH, a long-established German company founded in 1963. Kohler, which has built 6,000 leveling machines thus far, has the most experience worldwide in leveling systems and coil handling.