

## Regional manufacturers learning together

Companies in regional Victoria are benefiting from the group interaction facilitated by the High Performance Consortium. **Hartley Henderson** writes.

**A** NOT-FOR-PROFIT organisation, the High Performance Consortium LTD (HPC) enables non-competing enterprises to work together to improve productivity and remain competitive through sharing best practice and applying lean manufacturing principles.

AME Systems in the Victorian town of Ararat produces electrical wiring harnesses and power and signal distribution systems for a range of applications including for heavy transport, automobiles, military equipment, marine craft, and aircraft. The company employs some 250 people and has been involved with HPC for about 10 years.

According to general manager, Dean Pinniger, substantial benefits continue to flow from involvement with HPC.

“There is a strong mentoring value through peer-to-peer contact by opening up a network of diverse businesses that are often dealing with the same problems and striving for continuous improvement. Benefits can be provided to a wide range of participants – from company start-ups to assisting the sustainability of established businesses,” he told *Manufacturers’ Monthly*.

“A forum for sharing information amongst like-minded people is provided and accountability is developed within the HPC group through the requirement for feedback to the group.”

AME Systems has undertaken a major factory realignment that is progressing in several stages and which Pinniger says is aimed at ensuring that the company remains capable, reliable and sustainable.

“This realignment is designed to provide a better work flow through the creation of reconfigured work areas including cutting and battery

sorting/pre-blocking/kitting, pre-assembly, and new clearly defined assembly areas.

“A new prototype and proving area has also been introduced with the ability to fully document and time the process so that operators will have accurate information and clear expectations when building harnesses.

“We have a focus on taking cost out of the business through removing waste and activities that do not add value, while at the same time retaining quality and reliability, and making a dollar to invest back into the business,” he explained.

“Key thrusts include incorporating the latest technology into the system, including Komax and Schleuniger machines from Switzerland for cutting and stripping cables, as well as advanced machines for cable twisting, and sonic welding equip-

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- Dean Pinniger.**

ment. Such initiatives have resulted in substantial improvements in productivity.

“Some 20,000 to 30,000 circuits are cut per day utilising very complex processes, so smart product tracking bar code systems have been developed in-house and installed to replace manual processes. There is an electronic eye over the system that reads the bar codes and determines the process steps required.

“Previously, process flow had been disjointed, but now lead time in supplying to customers has been reduced by around 50 percent.”



**Agricultural seeding machines manufactured by A F Gason operate with outstanding precision by utilising GPS technology.**

Pinniger emphasises that a critical factor in enabling the company to compete in the global marketplace is the ability to build high quality products on short lead times, and in low volumes when required.

“This also means that we need to ensure adequate stock is held and

people, including a team of design engineers.

Recognising the fluctuations that occur in the agricultural sector, through acquisitions the company has entered new markets by diversifying its product range to include domestic heaters, and large scale mowers and slashers. The farm machinery, heating and mowing ranges are distributed through an extensive network of over 400 dealers throughout Australia.

In addition, Gason has further diversified by offering industrial services such as laser cutting, powder coating, welding and assembly to a wide range of industry sectors in major capital cities and other regional areas.

Gason’s Managing Director, Terry Pye, says diversification is an ongoing key focus of the company, particularly because agriculture is affected by a range of challenges including drought, pestilence, grain prices and exchange rates. “Currently, agricultural machinery now accounts for 46 percent of our total production, while heaters and sub-contracting of services, such as laser cutting, account for 37 and 17 percent respectively,” he told *Manufacturers’ Monthly*.

“In relation to the production of

agricultural equipment and mowers and slashers, we research customer needs and then purpose-develop products to meet modern use practices including machines that are capable of placing seeds with outstanding precision by utilising GPS technology.

“We are faced with huge competition from imports, especially from Canada and China, so in our marketing we place a lot of emphasis on customer service and the quality, reliability and longevity of our Australian made products.

“In manufacturing our products, we employ large state-of-the-art laser cutting equipment and robotic welders to increase efficiency and improve safety.”

Terry Pye points out that an important challenge for the company into the future is to be continually alert to new emerging technologies.

“The biggest challenge that I see is the emergence of 3D Printing or Additive Manufacturing as it is sometimes known. This technology is currently in its infancy, particularly



Introduction of the latest technology at AME Systems has resulted in substantial productivity improvements.

in the production of metal parts, but it is improving with whole products rather than just parts being produced,” he said.

“Decisions about investing in technology for the long term involve very challenging considerations. In relation to 3D printing for example, we are taking a watch-and-see approach, but it’s possible that we could end up buying digital parts from some suppliers as time passes.

“Closure of the auto industry could take with it a lot of downstream suppliers, which might force us to look for new sources of supply in some areas of our operation.

“The company recently became a member of the HPC and we are already seeing the benefits that can flow from group interaction, learning from other companies, and getting employees at all levels closely involved in the business with a view to

further improving productivity and performance.”

*[Hartley Henderson has been a regular contributing writer to Manufacturers’ Monthly for the past eight years, covering industry developments in Victoria and South Australia. Prior to that, he held senior positions in government, semi-government and business enterprises and was National Program Director with the Productivity Promotion Council of Australia].*



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