

DOWTY ROTOL NEWSLETTER

Issue 11
September 1988



Dowty Rotol Open Day

**Saturday 24th September
11 am to 5.30 pm**

All employees are cordially invited to the Open Day. This is an excellent opportunity to show your family and friends what we do at Dowty Rotol. In addition to a tour of the factory and refreshments in the Canteen there will be a host of other attractions including:-

Aerobatic displays
Fly-Pasts
Log Axing Display
Ox Roast
Un-Armed Combat Display
Children's Marquee
Fun Castle

Marching Bands
Fun Run*
Balloon Race
Dog Show*
Local Charity Stalls
Sports and Social Displays
Parachute Jump

(*Entry forms available from Sports and Social office)

Admission will be by programmes which are available from the Sports and Social office – price 10p. The proceeds will be donated to local charities. The programme contains a lucky draw ticket with prizes including:-

***Weekend for two in Rome**

***Folding Bicycle**

***Travel Vouchers**

***Flying Lesson**

Current Performance

Sales Turnover

Detailed below is the regular update on our sales turnover showing the value of our sales in the 4 months to July 1988:-

Month	Target	Achieved
April	£ 9,881,000	£ 9,979,000
May	£ 9,368,000	£ 9,823,000
June	£10,628,000	£10,993,000
July	£10,061,000	£10,592,000
	<u>£39,938,000</u>	<u>£41,387,000</u>

Our Sales Turnover target for the 1988/89 Financial Year is £129,634,000. The above figures illustrate that by the end of July we were £1.5 million ahead of forecast which represents a good start to the year.

Order Book

Month	Orders Received	Total Outstanding
April	£ 7,591,000	£199,000,000
May	£19,875,000	£209,052,000
June	£15,146,000	£213,205,000
July	£ 9,129,000	£211,742,000

Major Orders

The major orders received in the period April to July 1988 are as follows:-

Project	Equipment	Value of Order
Airbus A320	Landing Gear, Hydraulics, Ram Air Turbines	£15,880,000
BAe146	Landing Gear and Flap Systems	£ 4,349,000
Bell LCAC	Propellers	£ 3,676,000
Fokker 100	Landing Gear and Hydraulics	£ 3,386,000
Fokker 50	Flap Systems, Landing Gear and Propellers	£ 2,258,000
Shorts SD360	Landing Gear	£ 1,400,000
BAe Jetstream 31	Propellers	£ 514,000

Supervisory Training



A series of one week residential courses for Superintendents and Foremen are being run at the Bear at Rodborough. As well as the more familiar content for supervisory courses, topics covered include M.R.P.S. and Manufacturing Finance.

The picture shows the first group of attendees taking a well earned break from the rigours of the programme. Left to right are Ron Watkins, Peter Redhead, Hayden Smart, Roy Brookes, John Webber, Peter Jones, Geoff Garfield, Gordon Childs, Alan Hodges, Peter Barton and course organiser Roger Owen.

F.A.A. Approval for Repair

Our Repair Department has been awarded Foreign Repair Station Status by the US Federal Aviation Administration (FAA).

One of the FAA's functions is to give approval for companies to carry out repair and product support work on US registered aircraft.

Without this approval the business is unobtainable. Now that we have this we can carry out work on US registered aircraft anywhere in the world.

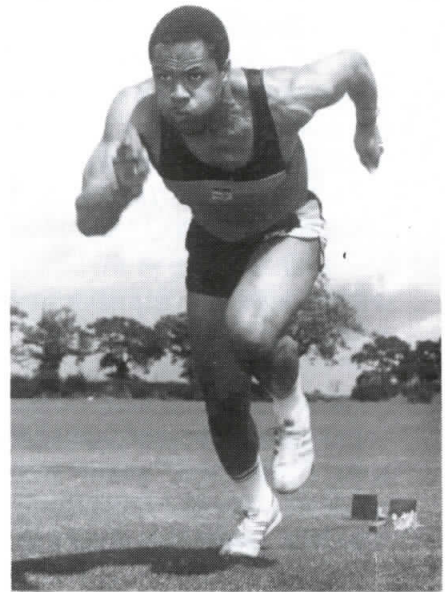
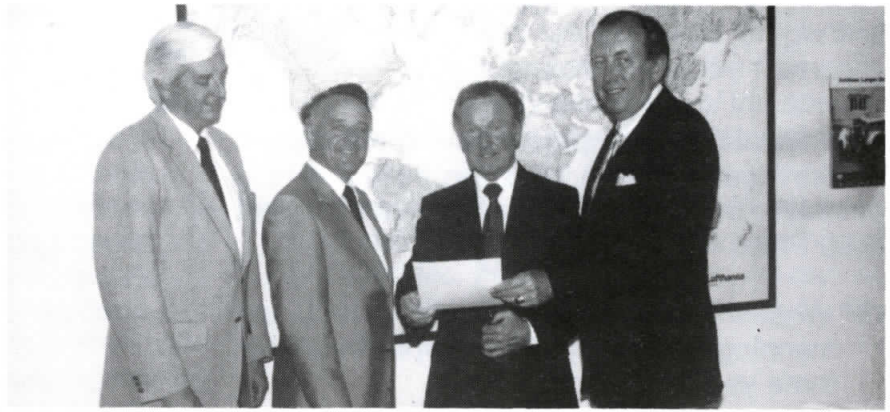
In addition to improving our position with US registered aircraft it is hoped that FAA approval will enable us to obtain more repair and overhaul work from the airlines of other countries. Many airlines require companies to be FAA approved before they may carry out work for them.

The fact that we are FAA approved should also help us to win more original equipment business in the US. In the past when we have bid for business we have been at a disadvantage because US domestic suppliers have been able to offer a repair and product support facility as part of their package. Now that we are able to offer this facility our bids will be more competitive.

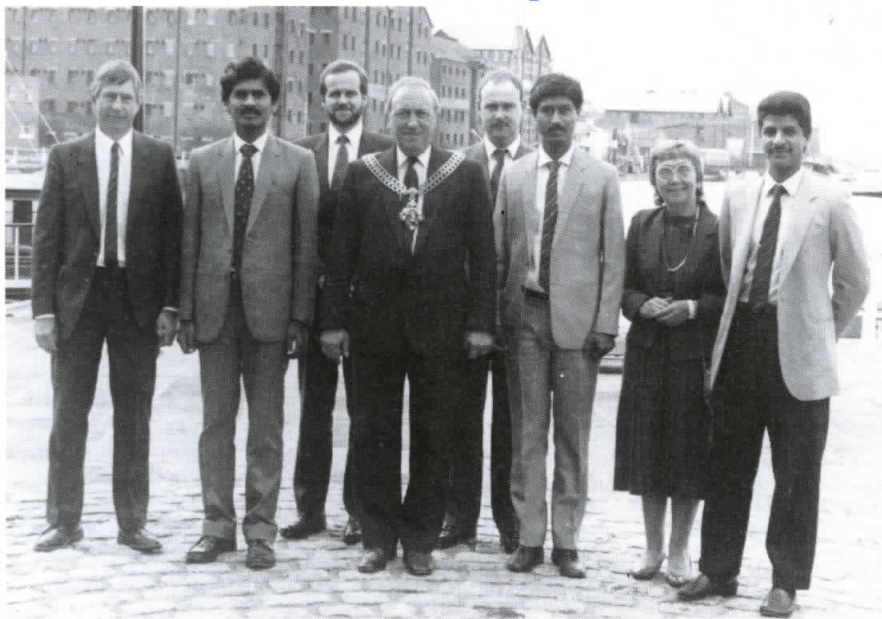
Foreign Repair Station status was achieved following a 3 day detailed

evaluation of PSD procedures and workshops. The approval is provisional and dependant on us maintaining our current standards and ensuring that everyone is familiar with the new FAA requirements. This latter task rests with Roy Punyer who is the appointed FAA liason Engineer. Roy is responsible for certification maintenance and he intends to arrange a series of training sessions for all personnel involved with FAA repair and overhaul work.

The picture above shows John Lawrence (centre right) receiving the air agency certificate from Walter Price of the FAA. Also at the presentation were Alan Butterworth FAA (left) and Mike Blanch Quality Manager (centre left).



Civic Reception



The picture above shows the Mayor of Gloucester, Archie Hartshorne, showing some overseas visitors to the Company the rebuilt docks area. Venkat Ramana and Vadiras Hippargi, from Hindustani Aeronautics Ltd, are here undergoing a 12 months training programme. Omar Bahliwa, an engineer with the Saudi Industrial

Development Fund, spent three weeks with us to obtain an overview of our design, manufacturing and repair facilities.

The visit to the docks and meeting with the Mayor was organised by Councillor John Neary who works in our Progress Department.

1st, 2nd and 3rd for Rotol Athlete

Humphrey Euwin from the Inspection Department recently represented Gloucestershire in a 4 way athletics meeting at Christchurch, Bristol. The opposition was comprised of teams from Oxfordshire, Devon and the RAF.

Humphrey won the 200 metres in 22.8 seconds and he also ran the 1st leg in the 4 x 100 metre relay team which finished 2nd. Finally in the 100 metres Humphrey came home in 3rd place in 11.4 seconds.

Suprisingly the 100m and 200m are not his best events. Until a recent injury Humphrey's main event was the 400m. He hopes to return to this distance shortly. Humphrey also regularly represents Gloucester AC in the Midland League Division 1. His training schedule is hectic and includes Long Distance running, Acceleration, Fast Starts, Circuit Training and Weights.

The picture above shows him practicing his starting techniques.

Employee Briefings — Your Questions Answered

We print below a representative cross section of the questions we received following the employee briefings in June and the subsequent Stop Press newsletter.

Q What will happen if the target of reducing manning levels by 300 employees over three years is not achieved?

A *The first point to make is that the Company gave guarantees about no redundancies as part of last year's flexibility agreements. These guarantees will be honoured. Secondly, we are doing better than expected in terms of reducing our manning levels. Our target was to reduce the number of people we employed by 300 over three years i.e. 100 per year. In fact, in the first year of the plan, we reduced the numbers employed by over 140.*

Q How does the Company assess the value of land, buildings, plant and machinery to derive a capital employed figure? Is the effect of inflation taken into account?

A *Our land and buildings are valued every 3 years by outside professional valuers. The figure they produce is that which is used in the balance sheet and reflects the market value. The value of plant and machinery is depreciated each year without reference to inflation.*

Q How are we supposed to produce more work when on the Grinding section we are waiting work and tooling for 40% of the time?

A *Whilst your frustration at not being able to get on with the job is understandable your figure of 40% is on the high side! In fact, on the Grinding section, under 10% of the total time available is booked as non-productive and this includes items such as machine break-downs and training as well as waiting work and tooling.*

The overall load on the shop floor is planned to meet the capacity which we have available and this is a very complicated task because

of the nature of our production. We have to meet the lead times laid down by our customers and we also want to avoid having large amounts of work-in-progress lying around the shop-floor because this ties up money and increases our capital employed.

In our type of production it is inevitable that there will be some waiting time. If we simply pour more work into the shops this is likely to get held up at bottlenecks and not assist the waiting time problems in other areas.

Q Why doesn't the Company involve employees more as a means of achieving greater profitability i.e. ideas about better methods of working being put to departmental managers?

A *The Company is keen to encourage greater employee involvement and we do value the ideas put forward by employees. Before you can expect genuine employee involvement you have to tell people what's going on and we have improved our communications in recent years.*

It is true that we should do more to encourage greater employee involvement although this is not easy in an organisation of our size and complexity. One of the areas we are currently examining is making improvements to our Suggestions Scheme. Full details of this will be announced once the details have been finalised.

Q The Company should introduce quality circles so that employees can air their views on improving working methods.

A *With a cost of £4.4 million attributed to scrap and rectification last year this is an area where there is tremendous scope for improving our profitability. Quality circles tend to have acquired a bad reputation in some quarters as a gimmick imported from Japan and not applicable in British Industry. In fact, whatever you call the process, it must be in all our interests to improve every aspect of our business. What we need is a situation where all those involved, including*

the people actually doing the machining, assembly, processing etc, find solutions to problems by pooling their experiences and ideas.

Q Is it possible to consider placing a greater emphasis on training?

A *We have allocated more resources to training in recent years and last year we spent 4 times more on training courses than we did a few years ago. We have, for example, trained all managers in the basic elements of business finance. A training programme for shop-floor supervision has started and we are running hydraulic training courses for Fitters. We do not, however, want to get complacent and there are areas where further improvements need to be made.*

Q When the 3 year plan was launched it was received with much promise and expectation. It was assumed by many people that there would be constant reminders and encouragement to save money. However, not until the recent briefings have the majority been reminded of the initial goals. Do you think that a much higher profile could be given to the plan in terms of day to day tasks to which the majority of employees could relate? If this was done the goals that have been set could be more easily achieved.

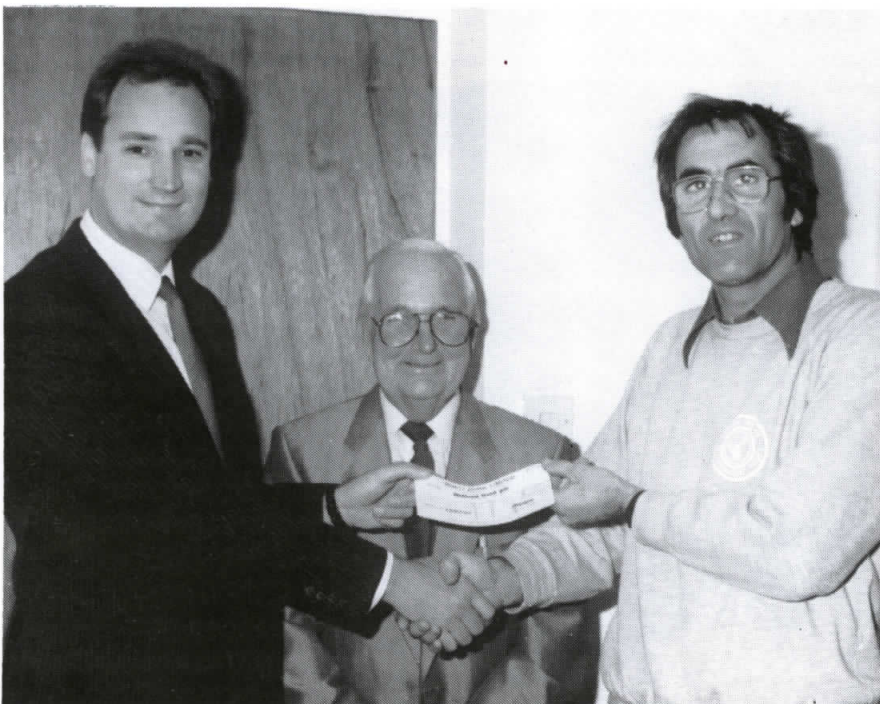
A *This is a valid point. In the recent briefings to employees we did highlight areas where a contribution could be made to greater profitability although this was in general terms. All departments within the Company have a part to play and many of the specific day to day actions have to be determined at local level. We have featured in newsletter articles specific actions that employees can take, such as ensuring measuring equipment is calibrated. However, perhaps we can do more to link improvements in day to day activities to the overall plan.*

Q Is it not the case that the Company is trying to introduce change at too fast a rate given the stresses and strains that this can cause?

A *Whilst we should like to introduce change at a comfortable pace we have had a lot of catching up to do to match our competitors. Of course whilst we have been catching up they have been moving further ahead.*

If customers want shorter delivery times and lower prices we have to either take on the challenge or lose the business. What we need to do is to work more closely together to ensure that, whatever the rate of change, it is introduced in a sensible and orderly manner.

£1,000 Suggestion Award



Alan Dickson's idea to reduce the operation time on A320 main fittings has earned him a £1,000 award from the Suggestions Scheme.

Alan, who is a Bench Fitter in No 2 Shop, suggested using a drum sander to cut material instead of a grinding wheel. The use of this method reduces the amount of polishing by mopping on each component.

The picture shows Alan (right) receiving his cheque from Andy Stevens, Executive Director (Works) and Ron Wren.

M.o.D. Quality Audit

Every three years the Ministry of Defence conducts a quality audit of their equipment suppliers. Our audit took place at the end of August. Our procedures and practices were compared against an international standard called AQAP 1 (Allied Quality Assurance Procedure). We are pleased to report that we passed the audit. Many people from different areas were involved and the Quality Control and Inspection Departments wish to extend their appreciation to all those who contributed.

The importance of this audit is that if it had resulted in approval being

withheld we could have been in a position where we were not able to bid for any new military business. This would have had a very damaging effect upon all of us.

The AQAP 1 standard is adopted by all Nato countries and requires equipment suppliers to comply with four basic principles:—

- Our complete operating system and working practices must be fully documented in the form of procedures and instructions.
- Employees must be adequately trained to work to our operating procedures.

- The relevant procedures must be available to the users.
- We must work to the procedures laid down.

Dowty Rotol has had four previous successful evaluations under the forerunner of AQAP 1, known as defence standard 05-21. The fact that we had been successful in the past did not, of course, guarantee success under AQAP 1. Even though we were successful we have to ensure that we do not become complacent and also **that we operate to the AQAP standards all the time and not just in preparation for an audit.**

All employees have a part to play in maintaining our quality standards. We have stressed, in a previous newsletter, the importance of employees only using measuring equipment that has been properly calibrated. It is also important to ensure that any working instructions which are out of date are withdrawn from use. Good house-keeping is also essential to the maintenance of proper quality standards. AQAP 1 does not only apply to shop-floor areas. It also affects other parts of the Company such as design, estimating, training and production engineering.

The picture shows left to right Peter Bennett, Mike Blanch, Ray Barnfield and Adrian Nyland preparing for the Audit.



Walking the Pennine Way



As part of the continuing appeal for the Stroud Meningitis Trust, two employees from the Paint Shop have walked the Pennines in the 'on going' search for funds.

Dave Jones (left) and Gerald Flynn (right) who are both keen walkers walked from Bowes in North Yorkshire to Matlock in Derbyshire between the 3rd and 10th September. They hoped to cover between 20 and 25 miles a day. During the walk they were camping out and hoped the weather remained fine.

Dave and Gerald, easily identified by their bright yellow Trust T-shirts, sought to raise more than £300 on the walk. The Trust has a bank account for donations and as they make their way they will hand out leaflets so that those who wish to contribute can make direct donations through their bank account. This will also save Dave and Gerald 'humping' the money as well as their gear.

Green Light for Profit Sharing

The Board of Directors have now given the go ahead for the proposed Profit Sharing Scheme announced during the employee briefings. The scheme gives employees the opportunity to contribute to, and share in, the benefits of our targetted improvements in profitability.

The details of the scheme are shown below:—

PAYMENT

The payment will be a lump sum related to the return on average capital employed. The chart below shows the lump sum payment for return on capital employed levels.

R.O.C.E.	Payment Per Employee
18%	—
19%	£100
20%	£200
21%	£300
22%	£400
23%	£500
24%	£600
25%	£700

The return on capital employed will be calculated using a profit figure net of payments to employees from this scheme.

Payment will be made on a "straight line" basis ie if the R.O.C.E. is 21.5% the payment will be £350.

DURATION

The scheme will operate for the 1988/89 financial year. Payment will be made to employees as soon as possible after the results have been published. As this is a new venture we want to see how well it operates. At the end of this financial year the scheme will be reviewed and considered for use in future years.

QUALIFICATION

The general principle we have applied is that to qualify for payment employees must have been working for the Company for the whole of the 1988/89 financial year.

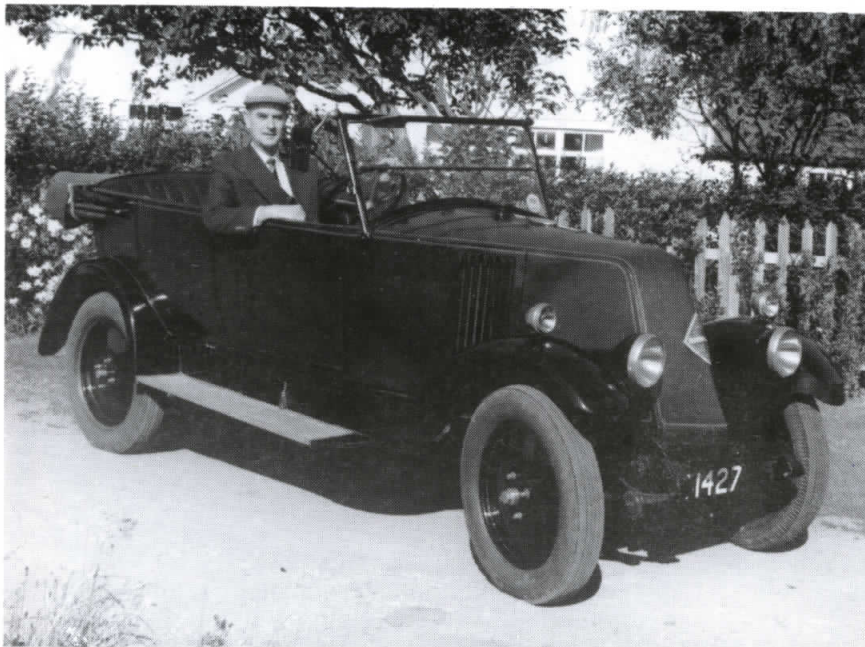
We have, however, agreed to make a pro rata payment to long service employees (over 20 years) who retire between 1.10.88 and 31.3.89. Their payment will be pro rata to their number of months completed service in the financial year.

WHAT CAN YOU DO?

Employees can contribute to improving the Company's profitability in the following ways:-

- * **Value for money.** We can make sure that we spend the Company's money as carefully as we would our own.
- * **Better working methods.** We can improve the way we work in all areas of the Company both in terms of working practices and administrative procedures.
- * **Elimination of waste.** We can do more to reduce scrap and rectification. Also simple actions like turning off lights when they are not needed can help to reduce our energy bills.
- * **Committment to beating the competition.** We can be more committed to making sure that business opportunities come to Dowty Rotol rather than competitors.

25% R.O.C.E. — LET'S GO FOR IT.



Dowty Motor Show

This years Dowty Motor Show was held on the Dowty Rotol Sports and Social field on July 16th. The show was run in conjunction with the Meningitis Trust and a total of £800 was raised for the Stroud based charity.

Due to torrential rain the attendance was down on last year but more than 1000 spectators and exhibitors turned up. Displays included vintage cars, American and specialist cars, a double decker historic bus, and the latest in airfield fire fighting vehicles.

Dowty Rotol was well represented. Ray Base is pictured with his exhibit a 1927 Renault. Amongst the other employees with vehicles on show were Roger Sterry (1972 MGB), and Gavin Craig (1974 MG Midget).

Internal Promotions



Pictured above at the entrance to the technical offices are:-
Left to right Rod Brown, Colin Jackson, Paul Fitzharris, Les Whitmore,
Mark Smith, Stuart Holyhead, Dave Cornish.

Following a recent internal advertisement six employees from Assembly, Machining and Inspection areas have been promoted to Technical Author. They were also joined by Rod Brown who after leaving Westinghouse Signals in March 1987 did a full time Technical Authors course at Chippenham College before joining us on 20th June 1988.

The path to the jobs was by no means easy. In addition to an interview the successful applicants faced two forty five minute tests. All seven have just completed a one week "off the job" Technical Publications course to assist in familiarising them with their new duties, and are now following this up with "on the job" training in the department.

Retirements

Jack Lambden retired on 20th May 1988 after over 40 years service. Jack started his long career on 15th September 1947, as a Centre Lathe Operator. As his career developed he held a number of senior positions in Production Control before being appointed as Production Controller in 1981. The picture shows Managing Director Jim Lightfoot presenting Jack with a model of an F50 Propeller, one of several gifts he received.



Another retirement was that of Jim Taylor from the Experimental Department. He is shown pictured with a Kissogram girl commissioned by his colleagues. Jim had been with the Company for 35 years, commencing as a Machinist. He then held Foreman and Superintendent's positions in No 1 Machine Shop before becoming Experimental Superintendent in 1980.



Other recent retirements include Ted Whitmore, Eric Roach, Geoff Strain, John Smith, Stan Tattersall and Dick Hughes.

Our best wishes for the future go to the above and all other recent retirees.