

# Shingo Prize for Operational Excellence – Leyland Trucks Ltd

## Overview

Leyland Trucks is one of Britain's leading manufacturing companies producing premium quality light, medium and heavy duty trucks under the DAF nameplate.



The Leyland plant has won numerous awards including the prestigious UK Overall Manufacturing Excellence award two years in succession 2009 and 2010, the Green Business award, the Queen's Enterprise award and has received a Gold Distinction for Safety for 17 consecutive years. Leyland's products have also won many awards; the LF was International Truck of the Year in 2002, the CF has been the UK Fleet Truck of the Year a record 10 times since 1994 and the XF was International Truck of the Year in 2007 and was voted "Best Truck Ever" by the Truck & Driver magazine.

Leyland has been on a Continuous Improvement journey for almost 20 years, carefully building a culture of team working and employee empowerment that has laid down the foundation for incredible improvements in key business metrics.

## Achievements

### Safety and Environment

- Leyland Trucks has reduced the accident incident rate five fold over 10 years and is recognised by the UK Royal Society for the Prevention of Accidents with a Gold Order of Merit. Leyland is fully ISO18001 compliant
- Leyland Trucks has been at the forefront of environmental compliance and was recognised as Zero Waste to Landfill in 2007. The company was one of the first UK manufacturers to comply with both ISO14001 and ISO14064

- Leyland's product range includes the first hybrid truck commercially available in Europe, a specially designed aerodynamic truck body, and all trucks are Enhanced Environmentally-Friendly Vehicles (EEV) with ultra-low emissions

## Quality

- The Product Quality Index has improved 84% over the last 10 years and is twice as good as 3 years ago

## Delivery

- On time delivery has continued to improve to world class levels

## Productivity and Cost

- The hours required to produce a truck have improved 30% in the last 10 years, while build content has increased
- Inventory turns over the same period have improved 80%



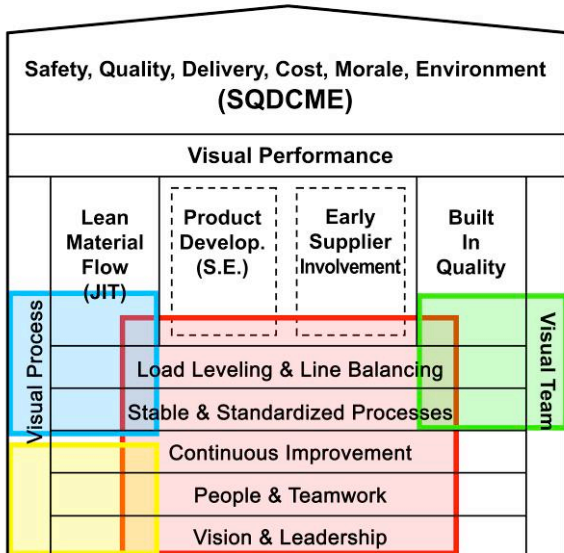
## People

All Leyland Trucks employees are encouraged to reach their full potential as valued members of the company. We recognise that to produce premium quality products our employees must be motivated, flexible and have quality at the heart of what they do. Leyland has built a people centred culture, called Team Enterprise that acknowledges and values the contribution of every individual. Leyland carefully nurtures this culture with employee recognition systems, personal development programs, team centred thinking and a commitment to employee empowerment throughout the organisation.

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## Process

Leyland Trucks compliments its lean tool kit with a corporation-wide PACCAR Production System (PPS).



The PPS journey further strengthens Leyland's lean systems and tools as it continues to develop. Leyland Trucks is a fully accredited TS16949 manufacturer and demonstrates all the appropriate process disciplines throughout the supply chain and production facility. Leyland operates a Build-to-Order process and will only produce to a fully defined customer order. Leyland Trucks is a data driven organisation and has saved multiple millions of pounds in employee driven six sigma projects.

## Community Involvement

The plant has been a focal point in the local community for generations. Employees take part in many events to support Helping Hands - an employee run committee which gives directly to local charities – the company matches like-for-like the employees fund raising. Leyland has close links with local schools, colleges and universities particularly encouraging engineering based education.

## History

Leyland Trucks is based in the town of Leyland in North West England and has a long history which stretches back to the early steam driven commercial vehicles in 1896. Since then it has gone through many guises to its current ownership by PACCAR Inc, with its heart always in commercial vehicle manufacture. Construction of the current site was completed in 1979 and 360,000 trucks have been produced since then. Leyland's highly efficient 710,000 sq. ft. manufacturing plant incorporates an innovative robotic chassis paint facility, in-house body design and build capability and a technologically advanced production system.

## Corporation

Leyland Trucks is a wholly-owned subsidiary of PACCAR Inc. PACCAR is a global technology leader in design, manufacture and customer support of high quality light, medium and heavy-duty trucks under the Kenworth, Peterbilt and DAF nameplates. Since Leyland Trucks was acquired by PACCAR in 1998, it has become the group's established centre for light and medium duty truck design, development and manufacture.



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