

A hand is shown operating a machine, likely a robotic arm or a specialized tool, with a digital display showing 'ZE'. The background is a blurred industrial setting. Large red abstract shapes are overlaid on the image.

INTERVIEW

Olivier Silva
Plant Manager
MCA* | Renault-Nissan Group

"Our productivity is nearly twice the French average for bodywork assembly plants."

September 2019

*Maubeuge Construction Automobile



Renault-Nissan's Maubeuge plant has become a national standard-setter for productivity, innovation and labour relations. We spoke with Plant Manager Olivier Silva in September 2019.

Can you describe your core business and tell us about the competitive environment in France and abroad?

At Maubeuge, we focus on bodywork assembly. Our plant has traditionally specialized in light utility vehicles; we currently manufacture Renault's Kangoo, and, since 2012, the Mercedes Citan. In 2018, French President Emmanuel Macron joined our executive team to announce that Maubeuge would produce the next-generation Kangoo—along with the Nissan NV250, which will go on the market in the last four months of 2019.

And how is business in your plant's market segment?

We've ramped up production in the past few years. Today the Kangoo is sold in over 33 countries, including Australia and Japan, where they organize a special celebration in its honour. And since we launched the electric version, we've doubled the number of vehicles coming off the production line every year. In 2018, that meant doubling output to 10,000 vehicles—a trend we hope will continue in 2019. By September all of our vehicles will comply with current anti-pollution standards.

Compared with the competition, our plant is a leader in France and Europe: Maubeuge ranks among the top factories producing light utility vehicles. And our Kangoo ZE has led the electric van segment since its launch in 2011.

How did you build your leading position?

For quality of life at the plant, we've focused on promoting employee engagement. We brought in ergonomists to re-organize our production lines and reduce hardship or "red alert" workstations to less than 1% of the total. That boosted employee engagement and performance, and we now have one of the lowest absenteeism rates in the auto industry.

At the same time, we introduced sweeping automation and robotization across all of our departments, and we outsourced tasks with little or no added value.

Roll-out of our "full kit" system optimized our quality and engagement performance per workstation.

Our plant is also a test site for innovative solutions, starting with the digital transformation and its new tools. Example: our senior operators use smartphones to document all production issues, and the head of manufacturing now has hard data to manage daily output. We use drones for inventories and energy-use diagnostics, and virtual reality to programme our robots. Every new worker gets full, baseline training through a standard operating sheet (SOS) video. At the end of each course, participants fill in a questionnaire to ensure they've mastered the content and are qualified for their workstation.

Times were tough from 2009 to 2014. How did you bounce back?

We adjusted volume to meet demand and outsourced selectively: only activities that added value remained on site. This was also when we signed our partnership agreement with Daimler.

What about productivity?

MCA holds the record in France, with 100 vehicles per employee per year. In fact, our productivity is nearly twice the French average for bodywork assembly plants. [Ed: Renault Group's 2020 target is 60-90 vehicles per year at all of its plants.] It was this level of productivity and production quality that brought Daimler to the region.

How do you keep labour costs under control? And how do you compete with labour costs in other countries?

We operate in two eight-hour shifts. Renault signed its Cap 2020 agreement in 2017 and proceeded to roll it out at each site. The programme is designed to promote labour-management dialogue and boost performance at each site.

Our baseline is a 35-hour work week, and we can expand that by asking for volunteers to work extra hours in the evenings or at weekends. If production is cut, we adapt accordingly.

How did you introduce this flexible approach?

Building a culture that embraces change requires outreach at every stage. We make a point of explaining each decision that impacts our employees to make sure they're on board. And since they're on board, we're able to find volunteers for Saturday shifts even at the last minute.

To maintain our baseline, we've focused on a policy of 3 x 100—100% client-oriented (quality), 100 vehicles produced per full-time equivalent (competitiveness), and 100% responsibility for personal behaviour, safety and quality and for being a standard-setter (team engagement).

What HR tools do you use to keep the labour/management dialogue going?

We use Renault Group-wide HR survey every year. But to promote dialogue on the factory floor, we've also set up a "listening committee" to keep a finger on the pulse and take employee priorities on board.

We've also developed a programme to reward individuals who contribute to our progress and performance, and we hold an annual Ceremony of Excellence to recognize workers who have gone above and beyond the call of duty.

What about corporate social responsibility?

We have a responsibility to care for the environment and contribute to the community and business life in our region. So each year we take part in a number of initiatives: educational partnerships with local middle schools and secondary schools, but also tours of our facility for student groups of all levels and profiles, as well as adults moving back into the workforce. Promoting diversity and equal opportunity among employees is something we take very seriously: we've made an effort to hire more women and to recognize staff members who donate time to local associations. We've also set up a running team, A fond la Caisse, which now has 70 volunteers. The money it raises from foot races is donated to an association chosen by a club member. And we look after the environment by analysing and adjusting our manufacturing processes to leave the smallest possible footprint. This is attested each year by renewal of our ISO 9001 certification.

We're also committed to expanding our interactions with the main local businesses and institutions that work with us. They support our day-to-day operations and contribute to our plant's growth and reputation across all of Northern France—one of France's most vibrant automotive regions.

Do you know why Renault became interested in your plant in the early 1970s?

Northern France has a thriving steel industry. This has been an industrial site since the early 20th century, when Société des Usines Chausson began stamping steel bodies with a workforce of 6,000. That makes us part of a long line of manufacturers drawn to the region by its highly skilled pool of workers specialized in machining and automaking.

In your view, what is Hauts-de-France's greatest strength?

When you arrive in northern France as a plant manager, you quickly realize just how attractive the region is for an export-oriented business. We are literally at a European crossroads, sharing borders with Britain, Germany, and the Benelux countries. Multi-modal transport is another strength in the region, with shipments moving easily between waterways, road and rail. Last but not least, Hauts-de-France has a strong industrial culture—and above all a strong automotive culture—that makes it easy to work with partners.

And how is your plant in Hauts-de-France different from other automotive factories around the world?

One of our main advantages is that the plant is very compact—you can cross it on foot. [Ed: the site spans 83.46 hectares, including 23.8 ha of covered buildings]. That allows us to optimize inventory and manage parts more profitably, and it has reduced our cost price per vehicle. And our employees are genuinely engaged, which is a big plus. But above all, we're at the cutting edge of innovation, especially in the areas of connected industry and assembly line automation.

Do you have any tips for international businesses interested in moving into the region?

If you're setting up for the long haul, you've got to forge links with the local economy and local institutions. That lets you tap into the region's strengths, including labour, very quickly.

MCA MAUBEUGE AT A GLANCE

Renault-Nissan Alliance's top site in France and Europe
1,639 employees at 31/12/2018 | 1 production line
2018 output: combined total of 148,941 Kangoos, Kangoo ZEs and
MercedesCitans, including 9,565 Kangoo ZEs
In production: Kangoo, Kangoo ZE, Mercedes Citan,
Nissan NV 250 (starting in the last four months of 2019),



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