

It's not just in time for the customer

For the last forty years I have bought UK manufactured cars, ordering a new one to replace an older vehicle at regular intervals. I have always found plenty of choice and usually liked the products I have bought.

I do, however, find the UK based industry's continued arguments about Just in time bizarre. As I have pointed out, the government has no plans to create additional delays at ports for imported components. There is an even more curious thing about the industry's belief in Just in time. It does not extend to the customer.

In April I contacted my local car showroom to ask when I needed to place an order for a new replacement car for September delivery. The last time it had taken six months. They told me I was too early so I asked them to contact me when they needed the order. On June 1st I was invited in to sign up and pay the deposit. The deposit was taken in good time to help their cash flow, well before they committed any cash to the build. I was then told that the car would not be available until November, as they had misjudged their future production schedules. In July I was advised that the car would be available in the second half of October, and in early September I was advised it would be available mid October.

One of the advantages of Just in Time systems is the factory should be able to plan its output well in advance and plan exactly when it will build any individual car, yet I have experienced variation over more than a month of time in their forecast of build date.

All this reminds us that the absolute precision some now expect in Just in Time supply chains is not a reality within the single market. Just in Time is miles off extending to customers, and factories flex their production with delays of a month or more for the customer. The customer has to pay a deposit well in advance, and is left wondering exactly when they will get delivery of the new vehicle. I am not suggesting this is some hardship for the customer, merely pointing out that people are exaggerating massively the timeliness of current production of vehicles within the EU single market. The fact that a component may spend a few more hours in a traffic jam on the A34 is clearly not mission critical when the customer has been told to wait another month. And that is something they have to deal with whilst we are still in the EU. Some components today come in from outside the EU and come on a long sea journey, but planning still allows them to fit into a JIT system. All JIT systems have to hold buffer stocks for contingencies or "events". A current EU/UK supply chain damaged by French strike action at the ports for example, may have to turn to the expensive Plan B of flying components in.

So here are a few questions for the Just in Time worriers

1. Why can't Just in Time systems deliver cars at a specified date for a customer that is quite soon after order placement?
2. How do you currently cope with traffic jams, lorry delays, port hold ups

today, and why do you think it will be any worse after we have left?

3. What new barriers to entry are you expecting at Dover or Southampton, given the government has not proposed any?

4. Don't you have to allow plenty of time for the difficulties of road or sea transport today on complex supply chains?

5. How do all those Chinese goods get into the UK in good time to meet UK customer orders, given that China is not a member of the EU?

6. Why is the UK car industry having difficulty meeting customer orders in a timely way whilst we are still in the EU and when UK car demand has been hit by UK government tax policy?