

# 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 1<sup>st</sup> 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?

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## **Just in time production**

Let me remind people about Just in time (JIT). I have run JIT systems for a UK factory. Our complex supply chain included components coming in from non EU sources as well as from EU sources. There were no special problems with the non EU components. The supply chain included components coming long distance by sea. Every JIT supply chain manager makes allowance for transport problems, and builds in usual delays that can come from traffic jams, bad weather at sea, delayed flights and the rest. The UK supply chain from the continent is more prone to delays from traffic congestion and road accidents than from port delays. The government should do more to improve transport capacity on our road system to assist Just in Time manufacturing. If we leave with no deal and impose customs duties these can be collected electronically without extra delay at the port. As Next has made clear in its recent Brexit statement, currently in the EU exporters selling more than £250,000 into the rest of the EU a year and importers buying more than £1.5m a year from the EU already have to complete a full Intrastat form, which is very similar to the detail needed for a customs form, so when we leave if we leave with customs dues these can draw electronically on the same information without added time and cost. All Authorised Economic Operators importing and exporting can and do settle customs electronically away from the border, as they settle VAT today on trade within the EU.

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## **Will the government confirm it is not planning new barriers at the ports to delay components coming in?**

The Business Secretary should reassure Toyota and others there are no plans

for new delays at our ports once we have left the EU. The UK should want to continue to offer every help to get imported parts in to meet production schedules.

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## Digital services

Many people like their smart phones and small computers. Many large companies are keen to get us to transact on the internet, pressing us to bank on line, have on line accounts for our utilities, to shop on line and receive advice on line. There is a pressure to go further, with more robo advice, greater use of artificial intelligence, and more activity from our sitting room chair. If enough people do it the large company saves on High Street property and on contact staff. Done really well, the error rate could go down as more fail safe methods are built into computer programmes. Some say there is some evidence that able professionals assisting computer experts to record their expertise in the form of computer programmes and algorithms can set up higher quality and more consistent service than if individual professionals do it on a personal basis. The computer, if properly programmed, has the best and latest professional view and will apply the rules consistently, unswayed by the individual client.

I think there is a lot of merit in new technology. Government is slow to adapt, but it could make a difference there, cutting costs and improving service. The computer can provide the service 7 days a week 24 hours day, needs no holidays and doesn't take sick leave. A well run system can be constantly improved and flexed to cut error and incorporate best practise. Some of the cost savings can be passed on to the consumer. We should anticipate more offers we cannot refuse to go digital, more artificial intelligence, and more computer involvement and assistance in our daily lives.

There are, however, still a good number of bugs in the systems that annoy or could prove damaging. The very same systems that give you a flexible ability to buy and to get advice and help at the press of a mouse are vulnerable to cyber attack. There has been a rash of thefts from people's savings through fraudulent emails, instructions and diversions of money and other financial assets from on line accounts. There have been a number of damaging interruptions to service when a whole bank is no longer able to service customers and move money in its accounts. The computer may not be having time off, but the computer or the communications systems it relies on can crash and leave people without money or access. As the efforts of companies to defeat cyber criminals intensify, so the routines people need to go through to prove their ID and to authorise a transaction become that more complex. We are all suffering from password fatigue, with a plethora of passwords needed to get us through our daily routines. To improve security you need to have all different passwords, with nothing obvious or memorable, and regularly

changed. Different systems anyway require different numbers of letters, numbers, punctuation and other symbols, and require different schedules for changing them.

There are also limitations to algorithms and pre programmed advice. The computer's decision is only as good as the information the client or patient puts in, and that may be determined by the form provided electronically to put in the facts, and narrowed by the computer's ability to understand the information. Computers do not yet do body language, read between the lines, or ask the left field question if suspicious that the person is not giving them the full story in the way a person can do.

There is plenty of talent going into the digital world trying to proxy more of the characteristics of people in the way machines and computers respond. As they do so they come to appreciate the enormous complexity and sophistication of the human muscle system and the human mind. We are still some way away from having great robots to do the dusting or peeling potatoes, as these require good hand eye co-ordination and sensitivity to the objects being dealt with.

The revolution will press on, and new generations of machines will encompass new skills. The machine has largely taken over the modern factory, but has not yet offered a value for money way of doing most of the housework. Computers help business churn out invoices, delivery documents, sales campaigns and the rest, but that still leaves most of the management and vision of the business to people. Government needs to apply more technology to its own processes so they are available longer hours, are more accurate and more productive. It also needs to make sure the UK is the right environment for education, training and development of small and new businesses, so we can be at the leading edge of this innovation wave.

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## [Visit to the Willink School, Burghfield](#)

I spoke to the Sixth Form at the Willink as their local MP today. I gave them a brief description of the job of an MP, how elections are held, governments are formed, issues are raised and policies changed. I also talked in a non partisan way about how schools are financed and the relationship between a School and the government on funding and educational performance. There were questions about diversity in Parliament, gay marriage, and the attitudes of the Polish government.