

# Nissan case study

Business



## **NISSAN COGENT**

According to Ian Milburn, Deputy Managing Director, NETC, key elements that they are leading, can't succeed without sales, marketing and suppliers. The quality that they want to achieve was basic quality and attractive quality. Dr.

Steve Evans had explained the ways that NISSAN incorporates to succeed along with its suppliers. Brian Payne informs that FICOSA, a Spanish multinational corporation which involves research, development and producing automotive components is also involved in this process. Dave Corr, Electric Car Corporation plc talks about breaking down barriers between Nissan and its suppliers. Developed with Cranfield University, the scheme is targeting all important areas of component development. The name "COGENT" was derived from the Latin, which mean "Drive forward together".

Today the word is used to describe the idea of compelling and convincing (Co-operation regeneration tool). Both meaning are very appropriate to Nissan Cogent. It is a three way partnership which includes 89 suppliers involving 900 supplier personnel. Cogent runs hand in hand with next 21 programs of Nissan. Cogent aims to have the research and development in close alignment with Nissan. Due to 80% of cost, quality, performance at development phase, working practice changes.

This mean Nissan's European operation can continue to rival with world class standards of its Japanese sister plants. In 1984, manufacturing unit in Sunderland, northeast England was built as a part of its first commitment to <https://assignbuster.com/nissan-case-study/>

the UK. Bluebird was replaced by Primera in May 1990. Two years later, the plant was expanded to produce a second model- Micra. In 1993, Micra was awarded the European car of the year and in 1996, New Primera was released. By 2000, 90% of Nissan sold in Europe was built in Europe.

Sunderland and Barcelona manufacturing plants produced the main European volume selling models which demonstrates the vital importance of Nissan's European operations. The Nissan European Technology Centre Limited at Cranfield is a key player in Nissan's fully integrated European operations which incorporates design and development centre in Sunderland, Cranfield, Barcelona, Brussels and Munich. European head quarters in Amsterdam. In Cranfield, vast majority of the development takes place, coordinating their component development with advanced developing equipment in Europe. Nissan's advanced technology is shared globally. Connecting Cranfield (Europe) , counterpart in USA and the 24 hours resource of two mighty technical systems near Tokyo.

In early 1990's, development was one of the five areas of the Nx96 initiatives. Achievement levels of quality, cost, delivery, development, management were all measured. Targets were set for suppliers and in house departments to improve their performance. The widely varying nature of supplier products and technologies faced challenges in development. Different firms had different perceptions of how they were expected to develop their component. Some were not aware of how their development rate was being assessed and consequently overall results were poor.

When Nx96 came to an end and was replaced by “ Nissan Euro excellence towards 21st Century (NEXT 21). Many suppliers had actually achieved world class quality level. The defect rate was less than 10 parts per million. Nissan scored 90% in European perception of quality. Attention was shifted on overcoming the public’s perception by building in a more aesthetic factor, attractive quality as a part of the total quality experience, incorporating durability and reliability as well.

Suppliers were encouraged to learn from their past experience to become more self sufficient both in planning and execution in developing new components which will save the cost and amount of time that Nissan has to expend on what they need to provide, For suppliers, the major difference between Nx96 and NEXT 21 is the approach to design and development. Nissan is making a huge effort to realign its suppliers in the development processes alongside its own. This is where COGENT comes in. Its main focus is to improve communication between suppliers and customers at very earliest stages. Natural co-developmental program eliminating waste at every stage was set.

Nissan invites MD’s of some suppliers to NETC taking over the key points of co-development. Through workshops and posted discussion, facilitators from Cranfield University, invited the MD’s to consider what was needed to achieve world class levels by the year 2000 and how they would bring about most effective co-developmental relations with Nissan. The aim was not to push aggressively their suppliers to improve but to have a frank and open discussion about how to make the relationship more effective. Cogent is designed to save time and resource at development phase. Cogent aims to

<https://assignbuster.com/nissan-case-study/>

shift the bulk of the resources back was at the start of the process. So the supplier d; d is more predictive and concurrent.

If the relationship between supplier, customer and manufacturing is more effective in terms of strong communication of the product in definition staged significantly fewer counter measures are required later on. Due to the elimination of waste throughout the development with concepts should from the very beginning between the Nissan, suppliers, engineers from both parties can work at the same basic understanding of what is required and fully understanding the challenges and problems that the both are likely to face. For a year, NETC and Cranfield University worked on Tier1 suppliers communicating the news about Cogent. At the end of that period, they found out that the message was not reaching the wide supplier base fast enough. They needed a more efficient communication vehicle to take suppliers through the Cogent activity. The result was Fast Track Cogent in which 40 people were broken into here groups and work in three specific workshops.

GAP analysis was conducted; i. e. , where we are now and where do we want to be. The three main aspects of Cogent Fast Track are: i. Aligned perceptions ii. Aligned processes iii.

Aligned Targets The preparation works of the suppliers include strength ; weakness test, development process maps and their plan to meet NEXT 21 targets. The answer for the question of where they want to be is “ world class position”. The most important question is “ How do we get there”. This is possible by identifying possible improvement activities. Every supplier had a clear vision of what is being expected of them.

Cogent aims in providing mutually beneficial targets. If Nx96 was till 1998, then the supplier would have improved only by 1%, but NEXT 21 target was 5%, however average score of supplier who took part in Cogent was 11%.