

ignite

issue 7



GET READY FOR TAKE OFF...

The first half of the year has flown by. It is sometimes difficult to reflect on achievements and changes when we are working hard on our individual roles and daily routines. Having recently travelled to one of our suppliers, I have had the luxury (during a long flight) of taking some time (with no emails 'pinging', with no phones ringing) to reflect on the last 6 months.

lean methodology driving project delivery and tangible business improvements. We need to shout about this real investment in people – I encourage you all to look at our careers site coming soon, which has been updated to better reflect our progressive approach as an employer.

Our assembly teams have hugely impressed with the adoption of new ways of working in the new facility. Likewise, warehousing have been making the changes to better flow goods around our site, and our sales teams have again worked incredibly hard on hosting another successful 'Dealer Days' event – to name a few outstanding achievements.

Values in Action

A stand out 'softer' change has been the adoption of our company values. I always point out that putting some posters on the wall is not rolling out a culture – living and breathing the values every day is how we make a difference. External feedback has come via many dealers who have commented

on their interaction with our people being in line with our values – which is great to hear.

However, one of the best examples I have personally seen is Paul on the stove line telling me, whilst pointing to the 'Be Accountable' values poster that he was expecting change and was holding us as senior managers to our commitments – values in action!



New Machinery & Systems

We have invested heavily in new machinery and systems, all of which are beginning to impact and I am confident that with the momentum we have we can continue to grow our business and our people whilst

significantly improving our customer experience.

Looking forward, there is more of the same. We will look for continuous improvement, eliminate waste wherever it is and live by our values, driving accountability at all levels.

The Season Ahead

As per Andrew's overview, I would say the business numbers are 'OK', however with an excellent incoming orders performance, this means that the second half of the year is in our control to deliver. We have the orders we need, and with a huge focus on our season, we can surpass our budget.

Finally from me, thank you all for the continued hard work and commitment in pushing towards a successful year.

Alistair



Investment in People

I am especially pleased with our level of people investment. Training is now embedded as an ongoing part of our business, with clear benefits being delivered from this, from manufacturing 'jetcam' training to the adoption of Kaizen and

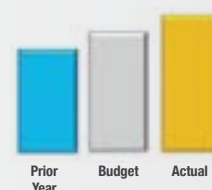
THE FIGURES

A rather mixed month in terms of sales. For the first time this year, Gazco fell below last year's numbers, being 15% down. This was offset by Stovax being up 6%. As a result, group sales were down by 7% against last year. There was one less trading day, so a 4.5% decline would have been anticipated.

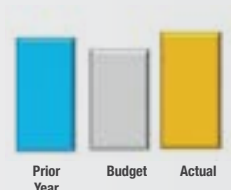
Orders received, however, increased by 9.6%, on a like for like basis. The level of back orders rose slightly during the month; our order book still remains well up on last year, as a drop in the order book is more usual at this time of year. Material margins have stabilised, but the level of warranty cost in Gazco remains a concern. Overheads, meanwhile, are virtually on budget, once currency effects are discounted.

Overall, our results for the first half were a satisfactory start, being a little ahead of budget, though behind last year. The last quarter of the year remains pivotal to the year's numbers.

Year to Date Revenue



Year to Date Profit before Tax



RECYCLING MADE EASY!

Just over six months ago, the Stovax Heating Group gained the ISO 14001 Environmental Management certification. Since then we have seen further changes in the company, so this is an ideal time to talk about how we should be handling and segregating waste. To make it easier to identify the recycling bins, particularly in the offices, they will be marked with a green band.

Dry Mixed Recycling – must be clean!	General Waste
<ul style="list-style-type: none"> • Paper – dry paper waste, newspapers, magazines • Card – cereal boxes, card covers from meals • Metal – drink cans, food tins • Plastic – milk bottles, drinks bottles, yoghurt pots, microwave meal trays <p>Only clear sacks can be used!</p>	<ul style="list-style-type: none"> • Food wrappers, crisp packets, anything containing food residue • Food waste – tea bags, fruit, leftovers • Tissues – blue tissue, paper hand towels • Waxed paper cups • Polystyrene, Foam sheets • Strapping <p>Anything in black bags (because drivers cannot see what is in the bag)</p>

Generally, card should be placed in the specific card bins, or in the roll cages that will be situated in certain locations to collect card for transfer to the baler, which has now been moved to behind the D Units, to our Recycling Area.

Why segregate?

Our waste contractor, Biffa, operates two Super Material Recycling Facilities (SMRFs – aka Smurfs!) and a smaller MRF locally. At this facility, moving belts, spinning drums, star screens, magnets, infrared optical sorters and so on, sort our dry mixed recyclables. Bales of paper and card are produced, mixed plastics are sorted, steel and aluminium cans

are sent to smelters and glass is recovered to be recycled in to new bottles and construction grade products.

The MRFs will sort dry mixed recyclables, but they struggle with non-recyclable materials: dead animals, nappies, food waste, organics, clinical waste the list goes on. Biffa inspect every recycling delivery and the number of rejections is increasing. Every rejection incurs costs that will eventually be passed back to us, Biffa's client, from the cost of employing quality inspectors to taking a plant down for cleansing. If bales of materials are contaminated beyond certain levels, buyers would not buy and the Environment Agency

could prosecute Biffa for illegal exports.

Biffa is one of the UK's largest producers of Refuse Derived Fuel; using non-recyclable waste as a fuel has many benefits, including reducing our reliance on fossil fuels for energy and reducing the need for landfill.

GOING GREEN

Continuing our environmental journey, there are a few ways we can, and are helping towards a greener future. We have started using recyclable paper cones for drinking water in our new assembly facility. Staff have also been given a reusable company branded water bottle, so that they can have a drink by their workstation and stay hydrated as we continue in this warmer summer period. This initiative will gradually be rolled out to other specified areas of the company.

Along with this, some of us are making the most of green travel through the cycle-to-work scheme, choosing to make reductions in our carbon footprint. This is a great way to feel invigorated before the working day starts, and is proven to have great health benefits both mentally and physically. If you're thinking about cycling but are worried about going it alone, consider getting together with those that live nearby or en route, cycling in as a group – it's a great way to be social, too!

Aside from cycling, you might consider walking to work, or perhaps carpooling. So many of us live in a similar direction, driving into work with empty seats in our cars. Carpooling can help us all with our fuel costs, and also edges towards reducing the number of cars on the road.



LEAN IMPROVEMENT PROJECTS



Stovax & Gazco are undergoing several improvement projects. These improvement projects include, but are not limited to, a Warranty project, a Packaging project, and a Phase 1 Metal shop floor plan improvement. Investments in employee training have identified areas of the organisation that need review.

Various members of the company are implementing what is known as 'Lean Six Sigma' – an industry-recognised methodology for statistical identification and rectification of variation or error within processes and systems. The company currently has one member who is trained as a 'Six Sigma Black Belt', and ten others who are 'Green Belts'. Further training for another ten Green belts has been arranged for early August.

This significant investment will accelerate the lean movement introduced to the company last year. Many company processes and operational practices have been identified as being outdated or flawed; the Lean Six Sigma training provides a mutual understanding of lean principles, allowing employees to help improve the company operation and securing our market position in turn.

The ongoing Lean Six Sigma training is being offered to multiple individuals across all departments. The "lean" aspect uses tools such as Six Sigma to remove operational waste from the analysed operation. Lean principles are going to be adopted in every department within the group, and not just manufacturing.

The company is also utilising the Kaizen approach – the term for a short event (normally under 2 hours) where a problem is analysed and solved with a transparent round table discussion. The use of Lean Six Sigma tools allow these short events to factually identify the root cause of an issue and subsequently identify a solution. These events have been conducted by the recently trained Lean Six Sigma Green Belts and have been accepted as a positive method of improving working practice.

Aside from the lean training, we have recently trained production staff on the optimised use of 'Jetcam'. Jetcam is the software that programs the way components are produced on the punch, one of our key machines. Increased knowledge in this system will increase capacity and reduce material wastage.

FIVE MINS WITH...

ELRIC FLINT

Senior Set Builder

Favourite thing about working at Stovax & Gazco?

It's never the same! We build a new set every day, so our work is continuously changing.

What has been your biggest achievement working here so far?

Probably the John Whaithe marketing project – simply because of the enormity of the build we had to work on, and the way that the whole team worked together.

What did you want to be when you were younger?

Like most boys, I wanted to be a footballer, but I also wanted to be an RAF fighter pilot.



If you could swap departments for a day, where would you like to work?

Probably with R&D as an engineer. I own a woodburner myself, and am just really interested in the actual workings of the stove so would be fascinated to see it grow from design to product.

What's been your biggest challenge?

Probably building the stand for the Dutch show last year. The project was very complex, but we were very pleased with the result in the end!

How long have you worked here?

I've worked at Stovax & Gazco for 12 years! Time flies when you're having fun.

NEW DOVRE BROCHURE

The Dovre brochure has had a huge makeover, featuring a sleek black cover and three striking faces. Depicting fire with character, the exciting new brochure now showcases the latest stoves and styling options. The brochure was mailed to our retailers recently, ready for the heating season ahead.



HOLLYWOOD'S CALLING

Working with HR, the Marketing department recently ran a big filming project, which many of you were involved with in some way. The aim was to create a fun, energetic and fast-paced careers video to inspire prospective employees. The footage captured the essence of the business, demonstrating how each area and department play an integral role in our day-to-day success.

Marketing would like to extend a huge thank you to all that got involved, helped to organise, and played a part in the recent filming project around the business.

The blockbuster is now live on our careers page: stovax.com/careers.



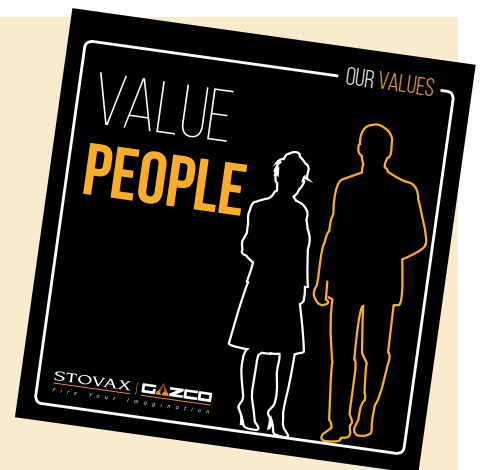
WELL DONE & CONGRATULATIONS!

There have been many milestones reached recently by members across the company. We would like to congratulate Andy Doe-Goodman, Development Engineer, for reaching 10 years in June, Simon Hart, Metalshop Supervisor, for reaching 15 years in June, and Kevin Broadhurst, from Assembly in Production, who is soon to reach 15 years in August.

Also, a big congratulations to Martyn Allen, Associate Sales Director, who celebrated a whopping 25 years of service in July, and to Stuart Needs who is soon to reach the same incredible milestone of 25 years later this month.

Congratulations to Andrew Goodman, for his promotion to Senior Development Engineer. Andy joined the Development Team as a trainee in 2011 having previously worked in the Production Audit department. During this time, he has constantly achieved a high level of self-improvement and has demonstrated his abilities, having been pivotal in the development of some major new product launches. Although Andy is already heavily involved in the training of the more junior team members, this promotion serves to recognise his position within the team.

Congratulations also to Krzysztof Kroszczynski, who has been promoted to Development Engineer and to Connor Price who was also promoted to Development Engineer and subsequently then promoted to New Technologies Engineer reporting directly to Ian Kingscott – this role represents an exciting opportunity to drive new and innovative technology ideas for the business.



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**HAVE A NEWS STORY THAT YOU
WOULD LIKE TO SEE FEATURED IN IGNITE?
CONTACT ANNABELLE ON ACARVELL@STOVAX.COM**
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FIRST 3D PRINTED STOVE

On show throughout dealer days was our very first 3D printed stove, the Sheraton 5. To create this, the prints were split into parts, and assembled once printed. The Top Plate is made from both Mild Steel and PLA, to save time on printing and give it more strength. The door is fully functional, fitted with glass, glass clamps, door hinge and latch.

Michael Coke in the Stovax R&D department said: "The 3D printed stove was of great interest, and many of the dealers very much liked the fact that we were showing investment in our future as a company. The Sheraton received positive feedback regarding the traditional features in a more modern style, meaning it will look just as good in a contemporary property as a 200-year-old farmhouse.

The handle was a very 'marmite' topic, however the sense in having a handle that opened away from the stove was noticed, minimising chances of accidental burns when refuelling the stove."

Thanks and well done to Ben Cannon, Lead Design Engineer at Stovax R&D, for leading this innovation – it's been a great success!



STOVAX FEATURES IN CHANNEL 4'S BANG ON BUDGET

We were thrilled to have recently featured on Channel 4's Bang on Budget, presented by Lucy Alexander, with a Stovax Studio Duplex woodburning fire. The fire got plenty of nice airtime in Episode 6 of the series, in the Dowling's home that saw a transformation of a dated 80s kitchen space into a beautiful shaker-style kitchen-diner.

This TV spot gives us a great opportunity to enhance our brand's presence, and provides valuable social media and blog content. Read our full write-up on our blog, and feel free to share on social media using #bangonbudget and #stovaxgazco.





FORK LIFT TRAINING



Each year, we look at the requirements across the business. Due to the variations in each warehouse, we have a need for seven different styles of FLT all with their own training and licence requirements, ranging from articulated trucks to ride-on pallet trucks. We also carry out banksman training at the same time.

Held across four sites, an external trainer provides an ITSSAR Accredited training courses over a six-week period. The course consisted of a two-and-a-half day of practical and theory, finished up with a half-day test. Once our trained staff have finished a year of their licence, they can move on to achieving a new one if a requirement is needed. This year we ran 17 courses and trained 50 people.

MACMILLAN COFFEE MORNING, CAKE SALE, & GAMES

20th September 2018

Clare Snelling and Liz Keelor are organising a cake sale in support of the Macmillan charity. On the 20th September, the sale and games will be held in the Stovax kitchen to raise money for this very worthy cause. If anyone would like to make cake donations (bought or baked), this would be greatly appreciated to sell on the day for voluntary donations.

There are also a couple of games pinned up in the kitchen at £2 a play, with half the sweepstake going to the winner and the rest to Macmillan:

Spot the cake – guess how many spots are on the cake

The golden bean – guess which cup contains the golden coffee bean

If you would like to play, there will be a purple collection box on the kitchen side where you can deposit your £2.



LET'S LIGHT THE BARBIE



Amid the sweltering summer, our critical annual Dealer Days event has been very successful... and practically tropic! Each of us in the company has played a part in making this event work smoothly. A huge thank you to all both directly or indirectly involved, from the tremendous sales efforts, to the Creative team for ensuring our showrooms are looking their best. This thanks is, of course, extended to those who held daily meetings and workshops, providing support to our retailers, and company-wide, we maintained good housekeeping and offered a great impression and insight into the business through a warm welcome to our valued customers.

Steve Thompson, Area Sales Manager said: "Dealer days were hugely successful this year, with everyone enjoying the new products and seeing the visible changes around the business." Ian James, Area Sales Manager said that his favourite piece of feedback was that there were "more interesting things to see and order than the Harrogate Show!"

To say thank you and to celebrate the success of the past weeks of Dealer Days, there will be a company BBQ soon – let's hope the sunshine continues!

