Project management - In-house or outsourced?

By Stuart McCreedy, PM Connections

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Many PPMA members not only supply equipment to the packaging industry but also install equipment, whether it be their own or third party, and project manage the installation when specified by the client.

When packaging machines are integrated into an existing line, interfaces between new and old machines have to be considered as well as ingress and egress routes for the equipment. Downtimes of the line and surrounding lines should also be taken into account and controls put in place to avoid any conflicts with the client's operations.

Installation possibilities are endless. From single machines and small systems to complete lines containing multiple new or reconditioned packaging machines. Depending on the size of the installation, project management methods should be employed.

Project management has many definitions but one can be: *The planning, monitoring and control of all aspects of the project and the motivation of all those involved in it to achieve the project objectives on time and to the specified cost, quality and performance"* [1]. PRINCE2 is a methodology that is widely recognised as a tool for managing projects - see diagram below. It can be used for any size of project and assists in the control of each stage of the project process. It is also important to recognise that by using a project management tool, early signs of the project not delivering the required outcomes can be closed down thus saving the business further unwanted expenditure. This should not be seen as failure, but instead as a positive that potential short comings have been recognised early and that budgets can be saved and re-channelled into other parts of the business.

Until recent times, most operating companies, especially major ones, had significant in-house engineering departments to set up projects and oversee contractors. Increased cost sensitivity and the trend towards sticking to what you know has encouraged operating companies to reduce or eliminate their in-house engineering capabilities. This has lead to an increased need for operating companies to outsource their engineering needs to engineering support companies or to put a greater demand on equipment suppliers to provide a turnkey solution. The equipment supplier may not necessarily be geared up for handling projects on a regular basis and may also be forced to outsource his engineering requirements. The net result of which has lead to an increased dependence on the freelance engineering market, which ranges from large project engineering houses down to small specialist companies operating in niche markets[2].

With the downturn of in-house engineering capabilities, the use of specialist consultants has grown into a strong market, but the advantages & disadvantages of a contractor/subcontractor need to be assessed as below:-

Advantages	Disadvantages
You can hire them when you need more **flexibility**	It may **cost** the business more than the equivalent daily rate for employing someone
You can use a them for one-off jobs and jobs requiring specialist **expertise**/fast turnaround	Your business does not acquire/develop in-house **skills**
Your permanent staff can concentrate on the **core business**	Permanent staff may **resent** them being paid more for doing a similar job
Some can start the work or project at **short notice**, even when large numbers of workers are required	You have no direct control over the work **quality**
You can often specify the type and **duration** of contract you need for the job	They may not appreciate your business culture and may lack the **motivation** and **commitment** of permanent staff
You have no **PAYE** or National Insurance contributions administration	Workers can be employees or subcontractors of the contractor - you need to understand relevant tax implications and rights.

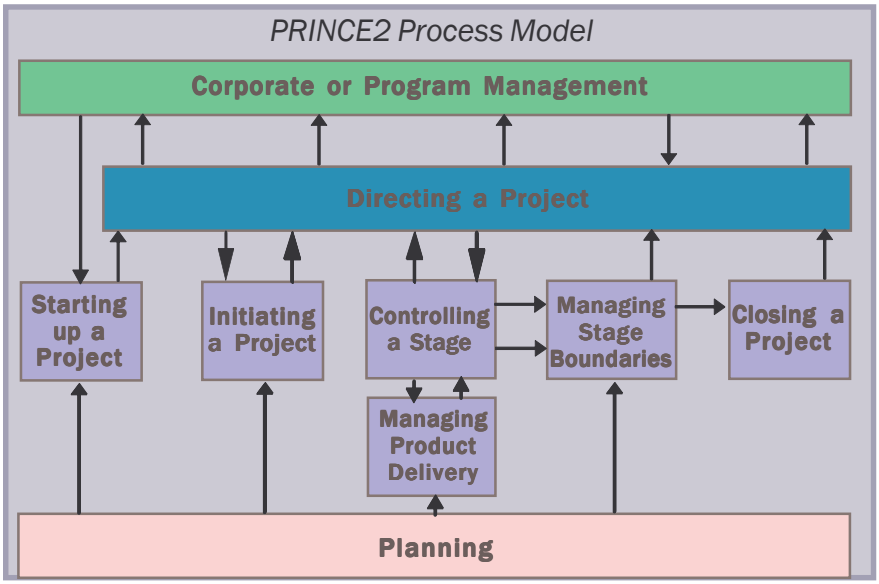
There are plenty of ways to get assurance about the competence and integrity of contractors. Factors that will help give you the confidence to deal with a contractor include: current membership of a trade or professional association or other recognised body, personal recommendations, references, examples of previous work[3].

It is important that contractors know their limitations, give clients confidence in what they can do and admit where they are not suitable. References showing repeat work with clients is always a good sign and demonstrates good working relationships and a clear indication of the skills being offered.

References/ Contacts

1 PRINCE2
2 Steve Chorley – Walsall Engineering Group
3 Business Link

www.businesslink.gov.uk
www.weg2001.co.uk
www.prince2.com
www.prince2.org.uk



The New Machinery Directive - What's different?

By Peter Still, Schneider Electric

The new Supply of Machinery (Safety) Regulations 2008, which come into force on the 29 December 2009, implement the revised Machinery Directive 2006/42/EC, which will replace the 'old' Machinery Directive 98/37/EC on the same date.

The official guidance on the new Machinery Directive from the European Commission, and the UK guidance on the Supply of Machinery (Safety) Regulations 2008 from BERR (formally the DTI), are not yet available. But based on documents which I've received from BERR, I can provide some highlights which may interest PPMA members. The good news is that they aren't fundamentally much different from the old regulations, the Supply of Machinery (Safety) Regulations 1998. However there are some key differences.

New Directive - Key Differences

> *Demarcation between the Machinery Directive and the Lifts Directive is clearer.*

> *There are changes relating to machinery that is intended to be incorporated into other machinery.*

> *The conformity assessment procedure for certain machines (which takes into account a manufacturer's quality assurance system) has been simplified.*

The new *Machinery Directive amends the Lifts Directive* so that lifts that move slower than 0.15 metres per second are covered by the Machinery Directive and not the Lifts Directive, and the UK Regulations reflect that change. Construction site hoists are also included in the scope of the new regulations, as are portable cartridge-operated fixing devices, which includes fixing tools, stunning pistols, and marking guns.

Machinery for incorporation with other machinery, which used to be described as Annex IIB Machinery, is now referred to as 'partly completed machinery'. This in my opinion is a misnomer since it is certainly completed as far as its manufacturer is concerned, but it is partly completed in the sense that it is not CE marked and therefore not completed in the sense of these regulations. There are no great changes to the requirements though, manufacturers (or 'authorised representatives') are still required to prepare (but not necessarily to provide to their customer) a technical file for the partly completed machinery, provide instructions for the safe assembly of the partly completed machinery with other machinery, and provide a 'Declaration of Incorporation' to show that the machinery conforms to the applicable essential requirements of the new regulations.

Under the current regulations, Annex IV Machines (i.e. those which are considered particularly dangerous) must, unless covered by a specific harmonised standard, be subject to an EC Type Examination by a notified body before being placed on the market. However the *new regulations will allow the manufacturer to apply for the notified body to approve his quality assurance system instead*. Following approval, and subject to ongoing surveillance, the manufacturer will then be permitted to assess the conformity of his products himself. *This is expected to be a great benefit to manufacturers of mainly bespoke machines, particularly if they already operate a robust quality management system.*

The revised Machinery Directive has a clearer demarcation between the Machinery Directive and the Lifts Directive

Importers of machines from outside the European Economic Area should note the term 'authorised representative'. An authorised representative is a person established in an EEA state who has received a written mandate from the manufacturer to perform, on the manufacturer's behalf, all or part of the obligations and formalities imposed on manufacturers by these regulations. In the past there have been some problems in allocating responsibility when a machine is CE marked by a manufacturer outside the EEA and imported by more than one person, for example different distributors in different countries. There can still be multiple importers, but one of them needs to have the written mandate from the manufacturer to assume his responsibilities. Note that a person in the context of these regulations means a natural or legal person, i.e. an individual or a company. A multi-national company can therefore CE mark machinery outside the EEA, but a company that does not have its own offices within the EEA will need to ensure that it has issued a written mandate to a representative within the EEA. This reads like protectionism, but in fact it is essential for enforcement that there is a responsible person within the EEA who can deal with any request from enforcement authorities to provide them with the technical file for a machine.

PLEASE NOTE: This information is provided in good faith, but readers should study the official documents before making any decisions regarding these regulations.

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QUESTIONS?

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New Machinery Directive Seminar - see page 23

i Supply of Machinery (Safety) Regulations 2008

www.opsi.gov.uk/si/si2008/pdf/uksi_20081597_en.pdf

Speak up PPMA members - Europe is listening!

By Charles Lee, Managing Director, Matcon

A delegation from the Engineering and Machinery Alliance (EAMA) which included myself, a Director of the PPMA, recently visited Brussels to explore some of the inner workings of the European Union in relation to our industry sector.

This trip to Brussels was my first real exposure to the workings of the EU. Prior to this I really had no idea what to expect and debated the value of taking two days out of a pretty hectic work schedule. I was of course mindful of the perception in some quarters that the EU comprises a bunch of wasteful expense-claiming lazy bureaucrats, dominated by the Germans and the French, and intent on riding roughshod over other nation's laws and traditions with mountains of red-tape. This 'Euro Vision' may play well in the popular media but my personal experience would strongly illustrate that it's simply not true on any level.

The EU is an incredibly complicated political environment but no more so than any other sophisticated government at national level. What is markedly different about the EU is the ultimate requirement for consensus, which creates a culture of transparency, reasoned argument, persuasion and lobbying that is truly impressive and absolutely unique in modern democracy.

> *"The UK can rest assured that it's interests are being very well served."*

Although national politicians from member states may sometimes not want to admit as much, any piece of legislation emerging from the EU has their fingerprints all over it, from its inception to final ratification. For any country to be successful in the EU they must have deep engagement in Brussels, and from what we saw on our short tour the UK can rest assured that its interests are being very well served by some very bright, committed, experienced and highly respected people.

During our two day visit we were constantly reminded of the major role that lobbying plays in the whole European process. Lobbyists provide the EU with excellent expert advice and assistance in writing good legislation.

During our visit, EAMA expressed some concerns of their members on several occasions, namely:-

- **Europe's large steel companies are pushing for anti-dumping tariffs on cheaper steel imported from Asia**. If these are imposed this will result in excessively high steel prices for all steel converters (such as EAMA members), thus making their goods less competitive globally. To put this in context the European steel industry employs 250,000 people while steel convertors employ about 4 million.

- EAMA is also concerned about the apparent **weak enforcement of CE marking of goods imported from emerging markets**. There is evidence of accreditation services and consultancy being provided to manufacturing companies in China, India and elsewhere enabling them to apply the CE mark to their goods without due regard to the full burden of responsibility for safety carried by most European manufacturers. EAMA would like the use of the CE mark to be effectively policed and harmonized testing to be introduced.

Ultimately lobbying is done between individuals, however it is only effective when the lobbyists represent the widest possible audience within a specific sector. The extent of their representation is often challenged by the EU to ensure they are getting balanced input. All of this underlines the importance of trade associations such as PPMA and EAMA engaging with the lobbying process and ensuring that our voice is heard.

Please contact me on +44 (0) 1608 651666 clee@matcon.co.uk if you would like a copy of the full report which highlights the purpose/activities of the following organisations and their contact details: British Business Bureau, Business Europe, Orgalime, The Council of the European Union, The European Commission, The European Parliament.

STOP PRESS: *Since our trip to Brussels we have learnt that Customs and Market Surveillance authorities recognise the increasing threat to public health and safety posed by imported dangerous products and have devised a plan of action to combat this problem.* ***For more details please email: info@eama.info.***