Remanufacture lifts market and environmental benefits





Company: Stannah REBM type: Remanufacture Sector: Mobility and accessibility Company size: Large Product or service: Remanufacture of stairlifts

Key Facts

- Stannah manufactures and sells high-quality stair lifts.
- It sells around 40,000 products annually. By the end of 2016, 600,000 stairlifts have been sold into 42 countries world-wide.
- Stannah was looking to support development and deployment of remanufactured products and REBus supported in the development of the business case.
- Stannah has identified a target market where a remanufactured product will grow sales and provide the same Stannah quality to new customers
- Remanufactured products offered a clear environmental benefit, with a 13% reduction in CO_2 e when compared with a new product CO_2



Introduction

Founded in 1867 to manufacture cranes for the London docks, by the turn of the century, Stannah had branched out into making hand-powered passenger lifts. In 1975, it manufactured its first stair lift.

To determine if there was a market for stairlifts in Europe and to generate interest for the company's new products, Brian Stannah, put a stairlift in the boot of his car and drove across Europe showing it to as many people and businesses as possible. The stairlift was well received throughout Europe, and as a result, Stannah Stairlifts became its own company operating under the Stannah Group when it began exporting in 1979.

150 years after the Stannah Group was founded, and in the third generation since the business was rebuilt after the war, the business remains family operated. This is reflected in the nature of the business, with its customers, employees, suppliers and the community in which it works, being at the heart of everything it does.

The Stannah approach is summed up with the words, 'We take care". The group now turns over £200 million a year, employs a work force of 1,700 plus people and is still looking to grow.

Approximately 40,000 products are sold annually. At the end of 2016, 600,000 stairlifts had been sold into 42 countries worldwide.

REBM for remanufacture

Stannah was investigating business models which would return a profit from remanufacturing its own high-quality products. It believes it has found markets which will grow sales and provide high-quality stairlifts to customers.

As a result, it has begun to explore the potential for using its own service team to provide remanufactured products.

Initially, Stannah found it challenging to define a unique secondhand market, amongst existing new and refurbished markets. With detailed market analysis, a sector was identified where remanufacture could help grow the business.





Why REBus?

REBus assisted Stannah in defining a compelling business proposition and assessment to expand their position in the remanufacturing market.

For a family business such as Stannah, legacy is also important, and allows the company to look at longer-term returns.

Although the environmental aspects were a consideration, they tend to represent a small part of scoring in tenders. Cost and pricing were therefore much greater drivers.

REBus involvement

External support and expertise from the REBus team helped to validate the inputs and outputs, while external scrutiny of the assumptions and modelling increased rigour.

Stannah's marketing team is good at selling new product to customers, and the REBus involvement helped with providing experience in addressing used product markets. Having a team with a track record to consult added credibility and resulted in greater willingness to take part from Stannah colleagues.

Benefits

The new remanufacturing model gives Stannah a growth market to approach, and allows it to compete for contracts it was previously unable to access.

Stannah can maintain its 'like-new' level of quality and service and, at the same time, offer customers high-quality products at a lower price.

Remanufacture also meets clients' environmental requirements.

Challenges

The most challenging aspect of the project was securing resource against other business projects with a higher priority. The impact of the EU referendum outcome on company priorities meant that the project resource was reviewed again.

The REBus team was able to flex resource and actions to match the availability of key Stannah team members, providing a strong business case to the Stannah family at the completion of the project.



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Life cycle assessment has provided clear evidence of the benefits to remanufacturing products. For example, CO_2e levels were found to be:

- 632Kg CO₂e manufacturing impact of a new product.
- 552Kg CO₂e remanufactured product (13% improvement from a new product).
- 371Kg CO₂e direct reuse in second hand market.

Assembly impacts remained the same as those for a new product. No matter whether components are new, or remanufactured, they still require the same method of being assembled into a product.

An additional result was understanding just how much stock there was available to be remanufactured, and understanding the opportunities that remanufacturing presented for reducing production costs.

Lessons learned

Approaching the sales team earlier would have helped to focus the study on the specific target sector sooner rather than later.

In hindsight, faster progress earlier in the project would have increased the chances of the project going further when the EU Referendum result was announced.

Greater stakeholder management on the benefits of the project to middle-level managers would also have been useful. Whilst a good job had been done to get buy in from senior management, there were some challenges from middle management where the activity was not part of their job or operational targets.

Advice to others

"Make sure you sell the vision at all levels in the business – not just at senior management. Everyone has both operational and departmental objectives to meet, so by in is critical in order to support an additional project. Also, use the REBus's expertise for the areas in which you don't already have knowledge."

Charles Symonds, Business Improvement Manager, Stannah

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REBus is a project delivered in partnership with:



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Case studies were generated as a result of pilots carried out for REBus by WRAP or RWS and the named organisations from 2013 to 2016.

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