Study shows Japanese still more efficient

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After years of playing catch-up, the Big Three finally have assembly plants that can match the best of the Japanese for productivity. But they still lack the uniformity to unseat the Japanese as the most efficient automakers in the land, according to a study by Harbour & Associates.

The study looked at auto plants in North America and the number of vehicles produced compared with the number of employees required to build them.

Productivity and efficiency are important because money saved in manufacturing can be used to develop new products and strengthen the company over the long term, said Ron Harbour, president of Harbour & Associates in Troy, Mich.

Factors that influence productivity include the cooperation of the workers, the way the assembly line is organized and whether the vehicle was designed so it is easy to assemble, Harbour said.

The Japanese have excelled in such planning, and the Big Three are increasingly mimicking those practices, but they have not had universal success, he said.

Nissan, which builds cars and trucks in Smyrna, Tenn., was the most efficient automaker in North America when it came to the time required to assemble a vehicle. Nissan needed 19.2 hours to assemble each vehicle.

Ford was the best of the domestics, requiring 23.87 hours per vehicle. Ford had many strong points, including the Atlanta plant that builds the Taurus and Sable. It beat Toyota's Camry plant in Kentucky and the Honda plant that builds Accords in Marysville.

Nissan had a significant advantage over the GM and DaimlerChrysler assembly plants. DaimlerChrysler required 32.33 hours, and GM needed 31.58 hours. That was roughly 50 percent more labor hours than Nissan and about 30 percent more than Ford required to assemble their vehicles.

However, Toyota was the big winner when Harbour looked at all the parts of automotive manufacturing, including building engines and transmissions, stamping body parts and ultimately assembling the parts into finished vehicles.

Toyota required 30.38 hours for each vehicle, followed by Nissan (30.76 hours) and Honda (30.84 hours). Ford remained the most competitive domestic automaker, requiring 34.79 hours to build each vehicle, followed by DaimlerChrysler at 44.25 hours. GM was the least competitive, requiring 45.60 hours.

If General Motors were as efficient as Toyota, it would require 40,041 fewer workers, the report estimated. DaimlerChrysler would need 21,442 fewer workers, and Ford would need 10,084 fewer workers.

General Motors does not disagree with Harbour's findings and is working constantly to improve, GM spokesman Alan Adler said yesterday.

DaimlerChrysler spokesman David Barnas said the automaker is happy with its profitability, but realizes improvements are necessary in productivity.

Ford released a statement saying it was pleased with the hard work of its employees and its strong overall performance in the report.

The study was released just as GM, Ford and DaimlerChrysler have begun national contract talks with the United Auto Workers. A major goal of the automakers is likely to be persuading the UAW to help improve productivity by changing work practices to more closely mirror those used by the Japanese.