

CASE STUDY: LEAN TRANSPORTATION PROJECT

SITUATION ANALYSIS:

A large distribution client engaged Racca solutions group to help them identify gaps in their delivery to the customer. Racca Solutions Group was tasked with developing a streamlined process to improve service to the customer and implement a supporting platform to help drive sustainability and future savings.

IMPROVEMENTS IDENTIFIED:

Early in the discovery process, it was determined that service failures were a direct result of: little to no defined controls/operational metrics to identify and prevent order inaccuracies, dispatching processes were neither streamlined nor scalable and limited technology was in place to support current fleet/resource management was not scalable to meet the targeted growth trajectory.

Key drivers of the overall project were as follows:

1. People

- Staff had no technical ability to apply basic lean/six sigma principles (DMAIC) for improvements
- No Formalized greenbelt and blackbelt training
- Lack of driver cross-training and certifications drove uncontrollable overtime
- Inefficient use of fleet and people leading to order inaccuracies and untimely deliveries

2. Process

- Driver room and dispatching office were disorganized and processes were inefficient and not streamlined
- No controls or operating metrics in place to drive productivity and behavioral changes
- There was no standard work for receiving phone calls and communicating with drivers and clients
- All dispatching processes were manual and paper-driven resulting in service failures

3. Technology

- No systems infrastructure to capture pertinent data, drive operational KPIs and overall service to the customer

OVERALL RESULTS:

Racca Solutions Group provided on-site, formalized greenbelt training for the leadership team to help bridge the technical and sustainability gaps. 5S principles were implemented and enforced at the fleet yard, dispatching and driver rooms for better visual management and organization. RSG facilitated a future-state value stream mapping process with a lean perspective to eliminate non-value-added steps (waste). Software was introduced to stabilize and support the routing and dispatching processes to better manage the dynamic logistics requirements. Our client realized annualized savings of \$500,000 while delivery to the customer improved and efficiencies were realized (OT reduction, fuel savings, decreased call volume, increased monitoring of assets/resources).