

PROVIDING SOLUTIONS FOR PEAK PERFORMANCE

THE VALUE OF A LEAN JOURNEY

Changing processes within modern day companies can be an unpleasant subject when a company has been successful in the past. But, what happens when the world continues to evolve and the company does not adjust to the everchanging economy?

When referring to manufacturing, distribution and business services industries, transactional processes will drive a company to success or into bankruptcy no matter how great the product or service is. The question then arises, “how do we improve our current processes while keeping disruption to operations as minimal as possible?”

Here at Racca Solutions Group, we believe starting with a Lean survey is the first step to chipping away at cutting-edge improvements.

The first approach to a Lean survey is to create a process analysis to assess the capability and efficiency of a company’s people, processes, and technology. This step allows for prioritization (i.e. critical to less critical) and development of key process improvement opportunities (i.e. productivity/costs and quality/benefits).

The ending result of an analysis is a Lean project hopper:

- Value streams/process maps
- Facility layout, flow and material presentation
- Documentation, evaluations, and automation suggestions

A Lean project hopper is a roadmap for the processes needed to transform a facility. This step in a Lean transformation creates a clear vision on how a team needs to execute, facilitate a project, and clarify who is the owner of each project.

By obtaining this data and creating the roadmap, this allows a team to be focused on where the opportunities are located and to ultimately reduce costs, drive overall operational efficiencies, and minimize waste of peoples’ time and efforts during execution.

Read the Case Study in the following column to see how Racca Solutions Group’s team was able to assist a recent client with a full Lean Transformation journey that resulted in significant cost savings and improved operations.

CASE STUDY: LEAN TRANSFORMATION

Situation Analysis: A manufacturing facility was embarking on the Lean journey to reduce waste, increase throughput, eliminate defects, and decrease current costs.

Improvements Identified: A facility assessment was conducted to generate understanding of current state and establish the transformation plan. The plan was to transform the facility in 14 months. The site established the leader and cross site team with guidance and support of Racca Solutions Group. The teams executed on the following initiatives:

- Cleaning and establishing accurate system data
- Implementation of Kanban systems to eliminate/reduce material shortages in machining, weld and assembly areas
- Establishing flow between cells
- Implementing 6S Lean (Sort, Set in order, Shine, Safety, Standardize and Sustain)
- Deploying a setup sequencing on machine centers to reduce setup times at the centers
- Establishing appropriate levels of point of use inventory within the cells
- Developing and deploying an open order report to support daily cell labor planning
- Training and developing the shop floor to maintain new processes

Overall Results: The Lean transformation took 15.5 months and included the following results:

- Elimination of raw material stock outs
- Machine run time efficiency increased by 18%
- 90% reduction of expedited signals to the critical machining centers
- Increased overall inventory accuracy
- 50% reduction of lead time in the machine shop

Overall the client obtained a 14X ROI on the project; which translated to savings of approximately \$3.05M, in addition to the following:

- 13% reduction of total fabrication cost per unit
- Projected reduction of regular and OT hours is respectively
 - Weld: 13% and 27%
 - Assembly: 32% and 71%