Project Summary

Stream Line Supply Chain Report Generation

Challenge

A large corporation was transitioning from a traditional "receiving inventory holding system" to a part delivery directly to the point of use. After several months of implementation, only 15% of manually generated, supplier delivery requirement reports were being delivered on time. Also, report formats were inconsistent, and confusing.

This put the entire system in jeopardy, and strained supplier relationships. Furthermore, as the company looked ahead six months, the number of suppliers using these reports was expected to quadruple, with an eight-fold increase in deliverable reports.

Client valued the creation of self-directed team at the expense of speed of improvement.

Actions Taken

Worked with the department a few days per week to improve performance.
- Standardized look & feel of all reports, and nomenclature
- Standardized and documented process to generate reports
- Cross trained every worker to generate every type of report
- Kitted reports by supplier and model
- Identified and developed an individual to automate the processes
- Established skill level assessment and progression plan
- Established visual control of work: 'Load Board' or 'KAIZEN Board' system

Results

Within 10 months the operation went from a 15% fulfillment to a 98% fulfillment. Individual productivity improved 11-fold even during the eight-fold increase in volume.

The formerly scheduled manpower ramp-up was no longer needed. Attrition allowed staffing level to optimize at 45% of projection. Direct savings was $1.5 million with cost avoidance of $5.3 million.

Lessons
- Having a master plan, and deploying it based on the current needs of the group, can be very effective for change
- Professional calm and perpetual attention to team dynamics produces spectacular results
- Creating a shared vision of success and focusing on outcome, is key for success