USC CONSULTING GROUP™

Empowering. Performance.

A railcar lessor gets its North American maintenance on track.

Client:

An international lessor of railcars for the transport of acids, asphalt, assorted chemicals and solids such as grains and powders

Challenge:

Experiencing increased demand driven by the rising cost of fuel, the client wanted to improve its maintenance operations throughout North America. The objective was to reduce cost and cycle times for a broad range of services it provides for tank cars, hoppers and flatbeds it either leases to customers or maintains for third parties. Services include inspection, cleaning, repairing, lining and painting.

Increased demand for its rolling stock, coupled with the imposition of strict federally-mandated guidelines on proper procedures and quality care had adversely affected the amount of time it takes to service each railcar. The company's senior management looked to outside assistance to improve maintenance operations.

Process:

The company's engineers felt they lacked proper knowledge and experience to oversee During our feasibility study, we identified opportunities to reduce car cycle time, reduce crossover hours resulting from direct labor spending time on indirect activities, and improve productivity and quality indices. We also suggested implementing a planning process to improve the cycle velocity from inbound to outbound.

We started by eliciting employee-suggested improvements which we prototyped. The objective was to increase performance on the shop floor by improving material availability and flow prior to the repair. We also conducted a system review process to reduce nonvalue-added activities and improve car velocity, thereby reducing cycle time. During the system review, major process changes were identified to prepare car files prior to the inbound date. Better car preparation (cleaning, inspection, estimating) has materially increased velocity and reduced cycle days.

In addition, we improved shift startup and car switch planning. Best practices were established across departments and process monitors were installed to improve visibility and predictability. Area performance boards were used to prominently display variances to plan, which were then discussed in daily shift review meetings. Delay identification, root cause analysis and action item identification and reporting elements were built into the Management Operating System and soon began paying dividends.

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Performance Results:

- Cars shipped increased 43%
- On-time delivery Improved 94%
- Hours per car were reduced by 23%
- Crossover labor improved 20%

Conclusion:

Based on the success of the initial engagement, we were retained for three subsequent engagements. These involved rolling out best practices developed during the pilot program at other North American service centers. The results of these have been equally impressive.

In comparing USC Consulting Group to other consulting firms responding to the initial RFP, the company's SVP of maintenance operations noted, "There was no comparison. You guys were our benchmark that the others couldn't measure up to."