

# Getting the right chemical in the right place at the right time.

## Client:

A batch processor of chemicals used in the surface treatment of metal products such as appliances, office furniture and automobiles.

## Challenge:

Reduce costs by consolidating plants and streamlining the supply chain, while handling additional volume and continuing to meet client terms.

## Process:

We began by mapping the entire production process to identify potential bottlenecks. This revealed that the client was assigning orders to plants based on aggregate tonnage. As a result, they were underbooking some vessels and overbooking others, leading to logistics disruptions and added costs.

Second, we solicited input from employees at every level. One suggestion helped us improve planning between production and maintenance. Instead of producing specific pounds of various products, we helped the client focus on consistent production in every category. Once the production and logistics departments began sharing key information on pounds produced, pounds shipped, labor productivity and schedule attainment, the company achieved continuous improvements in their processes.

Next, production mapping had revealed that resources were constrained and underutilized. Using a series of automated business solutions, we scheduled materials delivery at the right vessel at the right time. This reduced inventory levels, material usage, wait time and handling, while greatly improving operational performance.

Last, we installed cellular manufacturing techniques and visual shop floor management tools such as schedule boards and monitors. These improvements kept everyone focused on productivity and enabled them to play a key role in the opportunity review process.

## Performance Results:

- 30% reduction in labor hours
- 20% reduction in overtime hours

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- 30% throughput increase
- 20% reduction in lead time
- 10% reduction in direct cost/lb.
- 1100 lbs./hr. productivity increase

**Conclusion:**

An improved process, new standards, enhanced reporting and better shop floor control helped our client significantly reduce lead times. They were able to manufacture their products much closer to demand levels, reduce costly overtime and catch up on backlogs.

Ultimately, our expertise helped improve their supervisory ability to effectively leverage their existing facilities. We helped them experience higher sales volumes and increased profitability..