

Empowered Performance

Getting to the Root of the Problem

How one company used Visual Scheduling to increase on-time delivery

Abstract

Survival in a shrinking industry requires being efficient, economical, and responsive to customers. With a product lead-time of two to three days from receipt of order, the client, a leading paper converting company, was struggling to meet their customer deliveries.

The company had already restructured in an attempt to reduce overhead and was once again on the verge of bankruptcy. Smaller local manufacturing plants had been combined into larger regional plants. In an attempt to reduce overhead, order processing and customer service had been centralized.

The regional operations were under pressure to integrate the remaining staff and equipment from the closed plants, meet customer demand, and reduce inventory. In effect, to do more with less and get better results.

The Challenge

Their west coast operations had done a good job integrating the staff from the site with which they merged. There was, however, still talk of how things previously had been done better at that closed site. Without an agreement on standard operating procedures, well-intentioned staff members often found themselves working at cross purposes. The consolidated operation was struggling with shortages in

inventory and tooling, with lower production and late deliveries, and with firefighting.

The Solution

Empowered Performance was brought in to address issues on the shop floor, specifically setup reduction and machine throughput, improvements necessitated by market changes in the product mix. While changeover and throughput were problems, the attempt to concentrate solely upon the factory floor turned into the manufacturing equivalent of a game of “Whack-A-Mole.” Problems were popping up everywhere and the staff, willing to do whatever it took to get the job done, frantically “whacked down” one problem after another in a never ending cycle. Problems that were “fixed” one day seemed to be un-fixed the next. Despite heroic efforts, morale was falling as late orders kept increasing.

Investigating these continuing issues, it became clear that there were two concurrent and linked problems. First, the time it took to change the machine setup for new jobs was excessive and, second, there was an increased volume of changeovers resulting from shortages of material and/or tooling, “rush” jobs, and improper machine allocations. Additional delays occurred when the skilled labor required was pulled away to address “hotter” problems. This combination created lots activity but not a lot of production.

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The first step that Empowered Performance took was to establish a reliable communication network that could effectively track and monitor the production process. The keys to successful communication are:

- Building trust within the organization so that the real problems could be voiced without blame, and
- Fostering a sense of curiosity about the source of the problem.

By enlisting the whole of the organization in monitoring the process, trends began to emerge. And one key trend stood out: consistently the factory was unable to deliver to the production plan because production control was unable to deliver a plan that the factory could execute.

In order to gain clarity, a visual scheduling system was established that allowed open and honest communication between demand, as established through production control, and production in the factory.

The Result

The visual scheduling system created transparency throughout the organization as everyone, from executives to operators, were trained to understand, update, and extrapolate from the data. The knowledge of what was expected for each day, by shift and machine, gave the factory, maintenance, and production control the opportunity to negotiate adjustments in scheduling, manpower, and machine availability needed to gain agreement,

ownership, and accountability on the daily schedule.

Because the schedule was fixed for 48 hours of production, and posted for a minimum of two weeks, inventory and tooling problems dropped almost immediately. Daily firefights due to shortages on the floor became nonexistent. Input from the factory workers was valued and acted upon resulting in a greater sense of ownership and pride in the process. Visual scheduling made problems immediately visible.

Because everyone was clear on how the process worked, problems resulting from deviations to the agreed upon protocol became obvious. Positive peer pressure developed for everyone to deliver on what was agreed to. No longer was accountability owed simply to management; employees became accountable to each other. Stress in the organization decreased, production and job satisfaction increased, and within two months on-time delivery increased from 70% to 99%.

For more information

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