

Case Study:

Tier One Automotive Plastics SupplierSituation

- 240,000-square-foot facility was broken up into three major work streams
- Direct labor was 18% of sales value produced
- Facility was functioning with 30% temporary labor
- Overall plant profitability and deliveries were suffering

Goal

Within a 12-week time period, objectives included:

- Prioritize labor intensive work streams
- Utilize lean, six sigma concepts to identify and eliminate waste
- Identify appropriate staffing levels
- Create a continuous improvement culture

Role

Harbour Results' actionable role included:

- Validation of the current state, as well as key quality parameters, future state design, detailed process maps, portfolio of prioritized improvement initiatives and implementation plan
 - Video and time study of non-valve process steps
 - Redesign of direct labor roles and responsibilities
 - Redesign of factory support roles and responsibilities
 - Evaluate and optimize process resource requirements
 - Define new process ownership
- Organization training in lean manufacturing principles
- Support and "championing" the effort with multiple concurrent teams running rapid improvement events throughout facility

Approach

- Formed REI team and conducted basic lean training, "Learning to See"
- Process flowed current state work flows
- Implemented detailed time studies
- Designed and tested new work flow
 - Deployed new standard operating procedures
 - Created new quality work cells to support new work flows
 - Created localized quick tool changeover stations to reduce downtime and handling
 - Physically removed five machines and relocated several to optimize throughput increase
 - Added visual indicators and queues to aid in performance
 - Added new visual displays to communicate performance

Results

Within six weeks:

- Eliminated the need for 16 temps
- Increased on-time delivery to 98%

Within 18 weeks:

- Reduced labor to less than 10% of revenue
- Eliminated all temporary workers from facility

Overall results:

- **Overall head count reduction through elimination of temp workers; attrition was 99 associates**
- **11 major rapid improvement events completed over a 12-month period yielding sustained margin improvement of 10 points and continued reduction in breakeven point as market conditions shifted**
- **Plant-wide deployment resulted in a 40% throughput increase in 21 weeks**