



Lean Transformation Programme for Top 250 Technology Company

Problem:

- Group needed to create a lean operations transformation programme within one of its divisions to deliver a significant reduction in working capital and accelerate delivery of improved operational efficiencies
- The division was operating in mature markets with a considerable portfolio of products at different stages of their life cycle, but there were issues within the employee's mindsets in adopting change and the need to develop a sustainable performance management culture

Objective:

- To reduce costs and complexity across manufacturing, engineering and supply chain processes
- To deliver a major improvement in first-time pass rates and reduced scrap
- To generate cash by reducing working capital in supply chain, stores and working progress and by rebalancing finished goods stock levels
- To deliver a comprehensive training programme in lean tool kit and business skills to a hand-picked change team
- To develop the programme to support a sustainable high-performance culture of continuous improvement, investment in future growth, innovation and product development
- To introduce a new performance management system based on local management metrics and targets for all employees

Solution:

- Carried out an extensive diagnostic across 3 selected high-value product streams to identify all issues within current state and size the opportunity for cash and cost improvement
- Created an in-house transformation team consisting of 8 change agents, supported by sponsors and senior level management at steering level, with external 'Lean' experts to guide and coach the team
- Created a future state design and developed new way of working from supply chain through to warehouse
- A major review of engineering product designs to establish single source of truth for supplier and production standard operating procedures
- Created a new quality organisation in both control and assurance to embed and guarantee delivery of new engineering, supplier and build standards
- A pilot project centred on main product range, working across 8 interconnected work streams, to implement staged improvements with new working processes focused on the production cell and the ultimate goal of single piece flow manufacture
- Enabled mixed batch processing through traditional large single-batch processing shops
- Renegotiation with suppliers to introduce frequent deliveries drops and a single quality inspection standard for all parts
- Introduced new forecasting and inventory management tools to bring a consistent balance to existing SIOPS process, a controlled planning horizon and a major reduction in system-induced variability
- Introduced a performance management and process confirmation process based on local management review and a cascade of KPIs linking top-level business objectives to shop floor control and delivery
- A full mindset and capability programme to train and coach people at all levels of the organisation to adopt new ways of working

Result:

- Established programme with 6 fully trained change agents, a senior change agent and programme director driving a sustainable programme to deliver their new way of working with full engagement of senior management
- In progress to deliver a 20%+ reduction in direct labour costs, 60% reduction in scrap and 15% reduction in inventory