

## Assessment Case Study

### Precision Optical Lens Manufacturer

	<b>ACTUAL*</b>
Improving Delivery Performance	Reduction in overtime by £60k
	Reduction of sales backlog by £720k
	Dedication of 24.4% of capacity to guarantee OTIF of 48% of sales budget
Improved Product Handling Quality Improvement Programme	Reduction of rework by £180k pa
	Reduction of Warranty claims by £53k pa
Lead Time Reductions	Lead time reduced by 29%
	Reduction of WIP by 50% to a value of £1m
*Figure = identified improvement	

#### **The scenario**

Our Client, the manufacturer of highly specialised precision optical lens equipment, were concerned about their ability to meet promised delivery schedules for their clients. Customer service levels had been slipping and important customers were flagging concerns.

#### **The work**

In order to gain a thorough understanding of the business issues, WBS Group performed a Company Assessment, focussing on all areas of the business that impacted on their ability to deliver products within agreed timescales. In effect this meant a complete supply chain review from forecast through to shipment of product.

#### **The assessment findings**

Several areas were found to affect productivity and were highlighted by the assessment. These included:

- Promises to deliver never met in full (internal & external)
  - Departmental measures took priority over customer service
  - Downstream activities not considered as customers
- 'Departmental' approach to execution of production demand
  - Ownership of issues never clear
  - Conflicting priorities
- High level of rework which caused delays of orders
- Limited level of recording of rework and losses
- Quoted lead times to customers do not reflect actual lead times
- Handling & storing mechanisms lead to scratching of items
  - No method of highlighting 'high risk' parts
- Over reliance on shortage report led to short term planning
- Too many 'fast tracking' of items –
  - Disrupts planned schedules
  - Affects departmental efficiency figures



## The recommendations

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Recommendations were focused on 4 key areas :

### **Improving Delivery Performance**

- a Introduction of Pull mechanism for demand fulfilment of selected products
- b Introduction of differing demand fulfilment models within Operations
- c More cohesive Operations group – working to common business goal
- d Departmental KPIs based on availability to promise for downstream activities

### **Improved Product Handling**

- a Improved handling to reduce scratching and damage
- b Highlighting high value & easily damaged items
- c Supporting documentation and product do not come in contact when storing & moving

### **Quality Improvement Programme**

- a Standardisation of Inspection procedures across whole process
- b Root cause analysis of defects
  - Errors & defects to be categorised
- c First Time Through as key KPI for each stage of production

### **Lead Time Reduction**

- a Design self managed cells for key product groups
- b Elapsed time in cell as key performance measure for throughput
- c Sequencing of processes to allow for pull system between activities

