

Case study Domestic Heating Products Manufacturer

TOPICS	REDUCED BY
Operational footprint	53%
WIP Levels	67%
Distance travelled by products	79%

The scenario

This client manufactures one of the UK's best-known brands of domestic heating. Following a review of manufacturing operations, it was decided improvements could not be made without a move to a new, smaller site. We therefore took into consideration the following issues:

- Existing high service levels for product availability should not be compromised during the move
- Lean manufacturing principles should be introduced, to accommodate the smaller site

The review

The project began with a WBS Company Assessment, analysing the methods employed to fulfil global market demand.

The findings

Several areas of inefficiency were highlighted:

- Limited control and knowledge of WIP material
- Excessive handling and moving of product within the manufacturing process
- Material issue volumes not directly linked to demand volumes, resulting in excessive materials issued to WIP
- Poor utilisation of available space
- End-of-month rush of products to meet targets
- Semi-finished products held on shop floor due to material shortages
- Constant manual searching to find required WIP and raw materials

The recommendations

WBS recommended a series of initiatives to address the problems:

- A Future State Vision for the client encompassing:
 - A new factory layout, incorporating Lean flow principles
 - Planning models developed according to demand profiles
 - Material staging for the following day's production
 - An improved, more disciplined approach to material issues



The mechanism

Making changes that lead to sustainable improvements requires a consultative approach, involving everyone affected by the process, in every area of the organisation. To achieve this deep level of effective change, WBS creates an implementation team made up of WBS consultants, and representatives from the client's own people. For this project, the main areas of focus were:

- Layout Design – designing the new manufacturing facility within a smaller footprint and implementing Lean material flow principles
- Material Issuing and Handling – designing a new set of principles and processes for the planning and issuing of materials for and to the shop floor, including use of a material staging area for issue of material for the following day's production
- Planning – changing the production planning focus from weekly to daily, and assigning product demand profiles into appropriate demand fulfilment models, leading to improvements in the flow of management information to key support functions

The benefits

At the conclusion of the project, when the new facility was finally handed over in its operational entirety, some tangible benefits had already been delivered. The operational footprint was reduced by 53%, Work In Progress Levels were reduced by 67% and the distance travelled by products had been cut by 79%.



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