

# Business Improvement Group, LLC

We Diagnose, Improve, Teach and Hand Over

## Representative case studies

April, 2020



# Not your typical consultants...

- We have a unique approach to turn tough business problems into *Opportunities*
- Four partners with 125 years of operational experience as General Managers, C-level execs and consultants
  - A team of senior doers and operators that roll up our sleeves and get the job done - No junior staff!
- Our clients usually work with one Partner, but we collaborate behind the scenes to bring our combined experience to bear
- Proprietary, 360 diagnosis designed to quickly identify the biggest challenges and improvement opportunities
  - Customized to the situation at hand. No cookie-cutter involved
- Network of distinguished associates with expertise in every industry and function
- A real passion and energy to help companies improve
  - We implement our recommendations and work at the source
- We don't hand you a list of what to do
  - No fancy reports at \$ 50,000/oz. Only results!

# Productivity Increase

- **Situation:** World class 3rd party logistics provider was facing growing volumes, reduced throughput productivity and increasing fines for missed quality KPI's.
- **Action:** A Business Improvement Group (BIG) team worked on the floor to identify delays and waste. The team reviewed the Management Operating System (MOS) and found that most of the required management and shift reporting control tools were lacking. A new flow process was implemented and a complete set of timely reports and meetings were instituted. Visible boards were installed for the shift workers, warehouse management and the quality assurance unit.
- **Results:** With no capital investment, the team led by the BIG partner was able improve throughput by 37% in 12 weeks and return quality KPI's to standard, thus avoiding mounting fines.

# Production line back on track

- **Situation:** A manufacturer of very large tracked specialty machines had introduced a new production line and on time delivery had fallen to 40%. The customers were up in arms. Cancellations and penalty clauses were being invoked.
- **Action:** A Business Improvement Group partner organized a team to: 1) balance the production line, 2) instill assembly discipline on the floor and 3) understand the actual timings of the underlying production standards.
- **Results:** On time delivery improved to 85% in 10 weeks, installation discipline was restored and the assembly stations balanced. Actual timings of installation procedures were measured, resulting in an initial 25% reduction of 'standard' timings. Capital expenditure was \$ 0.-.

# 30,000 SKU DC back on track

- **Situation:** A manufacturer of construction equipment had recently consolidated a Distribution Center (DC) and performance was worsening. Put away times were going up and picking and shipment accuracy was dropping.
- **Action:** A BIG team completed a 2 week diagnosis to identify the critical issues and developed a prioritized plan to improve. The team worked on the floor with individual workers, training, instilling 'best in class' work practices, streamlined work flow and arranged to get critical incoming goods data to the floor in a timely manner. Visible boards were installed to view, plan and control daily work schedules.
- **Result:** Within 60 days, put away was completed within the prescribed 24 hours (with flexibility built in to react faster if urgent orders). Picking and shipping accuracy returned to specs.

# Inventory reduction

- ***Situation:*** A large printing company had way too much paper inventory, but didn't understand why or how to fix it.
- ***Action:*** A Business Improvement Group partner identified the reason as ordering for each individual job rather than the combination of all jobs. He installed a straight forward system to identify the needs over a one-month period rather than by individual job.
- ***Results:*** Paper inventory fell by almost 50% without incurring outages and the company was able to increase its cash position by several million dollars and stop using two outside warehouses.

# Aerospace division turn around

- **Situation:** A major manufacturer of aerospace components had merged three facilities into one and contrary to plan, lost 75% of the workforce because of the added commute. Prior to consolidation the organization was run on 'tribal knowledge' with few documented processes. Deliveries were delayed and customers were 'up in arms'.
- **Action:** A Business Improvement Group partner took the leadership position and identified immediate actions needed to stabilize the organization and regain the customers' trust.
- **Results:** 6 months into the recovery, the business unit had 'turned the corner'. 80% of critical processes have been restored. Talent and systems have been upgraded. Margins have been improved by 20%. Customers had gained confidence in the recovery process.

# Improved productivity by a 1/5, reduced scrap by a 1/4

- **Situation:** A 3D composites weaving company specializing in preforms and molding for the aerospace and defense industries required an increase in productivity on one product line for their second largest customer.
- **Action:** A Business Improvement Group partner organized a team including the machine operators and mechanics. On the floor, he taught the group a sophisticated flow-charting process, and the team identified sources of delay, waste streams and causes of waste, and then prioritized action items.
- **Results:** Productivity improved 13% in one month and 19% in two months. Scrap went down by 25%. All shipments are now on time. The total hard expense was less than \$800.



# Ensuring on-time delivery

- **Situation:** A mid-sized manufacturer of diesel fuel system components was providing poor on-time delivery service and building excess inventory across three U.S. based manufacturing and assembly plants. Production schedules were disjointed, and performance metrics were ineffective as tools for diagnosing performance problems.
- **Action:** A Business Improvement Group partner implemented a Value Stream based organizational structure designed to pull product through to the assembly facility based on customer demand. A Sales, Operations and Inventory Planning Process (S&OP) was established to align production capacity and plans with customer production and product development needs. New metrics and a common set of definitions and rules for calculating and reporting performance were implemented.
- **Result:** Noticeable improvements were evident from initial implementation, while full recovery of required delivery performance was achieved after 5 months. Gross inventory levels were reduced by 18%, scrap and rework costs were reduced by 20%. The Value Stream maps generated during the process formed the basis of further factory and process restructuring which yielded additional benefits.

# Eliminated stock outs

- **Situation:** A manufacturer of molded rubber products for aerospace, industrial and automotive markets was experiencing a high rate of stock-outs, expired perishable materials and incomplete work kits at scheduled work order start date (25%).
- **Action:** A Business Improvement Group Partner worked with the company's shop floor, stockroom, planning and supervisory personnel to design a material "pull system" based on visual management techniques to plan and prepare for the release of work orders to the shop floor.
- **Result:** Within 30 days of implementing the pull system, shelf life related scrap was reduced by 90% and incomplete kits were reduced to less than 2% of released orders. Further improvements were realized as the team became more comfortable with the new process.

# Factory turn around

- **Situation:** A electronic component factory was having serious financial difficulties and a new owner had just purchased the factory with the view to turning it around and expanding it.
- **Action:** A Business Improvement Group partner created a 'war room' with all the factory's vital data displayed on the wall which were updated daily. A 'standing only' meeting was held every morning to walk the management team through the data and identify issues. All issues were tracked and actions identified with a specific person in charge of each issue and a deadline for resolution. In addition, a cash-flow model was developed tracking all in and outflows on a daily basis such that daily prioritization could take place.
- **Results:** The factory was cash flow break-even at the end of 90 days. The effort could then move to creating a factory growth plan.

# AS-9100 qualification under time pressure

- ***Situation:*** A medium-sized aerospace contract manufacturer needed to qualify a new factory in Germany, certify against AS-9100 and run manufacturing trials on an extremely tight deadline.
- ***Action:*** A Business Improvement Group partner organized the project, Gantt Chart and interim deadlines, provided advice on the most effective way to write procedures and work instructions, led the manufacturing trials, and led the data collection and report-writing efforts.
- ***Results:*** The factory was qualified on time. It soon started commercial production and became profitable within 15 months.

# Check us out and get in touch:

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