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# Case Study: Transforming Multiple Manufacturing Sites

Darren Walsh





## Results

- ▶ 9-point increase in Return on Sales
- ▶ 12-point increase in Customer Service
- ▶ Lead time reduction of core products by over 50%
- ▶ Productivity increase at each location by over 35%
- ▶ \$7m reduction in inventory

## Company Profile

A global leader in the design and manufacture of motion and control products for Industrial; Food; Military; Health Care; Transport (Truck, Rail, Bus, Automotive, and Aerospace) & General Industry.

This was one of the largest divisions within the corporation employing approximately 1,100 staff with sales of circa £400m. The corporation was renowned for its mature Lean systems, but even with this mature strategy the division was significantly underperforming.

## Situation

Operating within a complex centralised/ decentralised management system, the division was responsible for the design, sale, and manufacture of product from 8 European locations and whilst each of these locations had their own unique products, they also had their own unique challenges. Some had little or no improvement capability, others were resistant to change, some had product issues, management issues, resource issues and most operated within very different cultures. Only 2 of these locations had dedicated Lean Improvement Leaders - but there was a need to significantly improve them all.

# Approach

The approach taken to create a step change in performance at this key division was to develop Lean management routines to actively engage all front line, plant, and division management in improving the work, developing capability, and reinforcing change.

New Lean Management routines were deployed by:



## **Creating the new standards:**

- Gaining agreement from key stakeholders.
- Alignment of division, plant, value stream and team objectives through strategy deployment.
- Development of new Lean daily management routines, management standard work & layered audits. Also refining roles & responsibilities, performance objectives and capability matrices to include Lean Thinking.

## **Creating the desire to change, by:**

- Communication of need to change at both the division and plant level.
- Communication of the changes and what they mean to each level of the management.
- Introduced new value stream structure and roles & responsibilities.
- Developed the desire to succeed by linking new Lean routines with the performance goals at the value stream, plant, and division level.

## **Providing Off the Job Training for front line Value Stream teams and management, in:**

- How to improve the work using 'Daily Lean Management' routines.
- How to present Lean reviews and an understanding of the key deliverables.
- Management standard work for how to review a Lean shop floor review.

## **Developing 'on the job' capability by coaching & mentoring front line teams & management:**

- Developed internal improvement capability.
- Developed capability of plant management to deliver the Lean review.
- Coached both division & plant management to challenge understanding & maintain performance standards of Lean reviews.

## **Reinforcing new routines, standards, and continued development capability by:**

- Developing Lean management routines to actively engage and support change.
- Connecting strategic & plant reviews with value stream reviews.

# Results



Increased engagement of all front-line teams, plant, and division management.



Developed front line improvement capability throughout 8 plants and 15 value stream teams.



Developed division & plant management's understanding of Lean to be capable of improving the work and developing others to improve the work.



## Example of additional business impact



99% reduction in customer lead time for XX15 Solenoids through the application of Flow Thinking.



65% productivity increase for XX Regulators with the application of pitch problem solving.



40% productivity increase for XX Transmission Valves with the use of standard work & pitch management.