

CASE STUDY: Manufacturing



Stractics Group

Scenario: A door lock manufacturer's performance is impeded by out-of-date manufacturing processes, systems and technology

Organizational Context

South African manufacturer of door locks and closing devices founded over 100 years ago had not kept up with the times, eventually performing at sub-optimal levels

Critical Business Issue

- Excessive cost infrastructure
- Slowing revenue growth
- Increasing competition in the market

What We Found

- Improvement potential of \$5M
- Management divided into old guard vs. new guard factions
- Excessive levels of raw, finished goods and work in progress (WIP) inventory
- Lack of cohesive and rigorous management system at both business and operational levels
- Poor work planning and forecasting of volumes causing incorrect staffing and inventory levels
- Unclear roles and responsibilities across the organization, both vertically and horizontally
- High level of resistance to change

What We Promised

- Substantial improvement in operational income
- Reduction of direct and Indirect labor costs
- Improved planning and forecasting
- Significant improvement in customer satisfaction
- Implementation of a new management control system (System For Managing)

What The Client Said

"We could not have achieved the results we did without Stractics' help. While the change process was not easy, they persisted and we came through the project in a much better place. We can now accurately forecast and plan for performance and the people in our organization clearly understand how they affect performance. I feel we are now able to compete with our more modern competitors"

CEO

What the Client Achieved in 6 Months

**Operating Income Improvement
\$3.6M against an investment of \$0.8M**



Improvement in
Labor Costs



Reduction in
Size of Inventory



Reduction in
Production Cycle-Time



Improvement in
Operating Income

How We Worked With The Client

- Conducted an initial in depth organizational scan which identified more than \$5M in potential performance improvements.
- Improved key/mission critical end-to-end processes through use of our proprietary Symphony process improvement methodology
- Changed the forecasting/planning process
- Established complete management alignment at all vertical layers of the organization. Specifically working with a resistant management team to create organizational alignment
- Designed and helped managers implement a comprehensive System for Managing focusing on planning and staffing, workflow metrics and reporting and review processes
- Established sustainable Continuous Improvement Process resolution