

CASE STUDY: Manufacturing



Stractics Group

Scenario: A manufacturer of aluminium castings for automotive engines and gearboxes, having trouble with JIT and SMED

Organizational Context

Brazilian manufacturer of injection castings, machined and finished for delivery JIT to assembly lines; owned by a multinational steel and metals trader and being sold to a Latin American holding company. Had changed hands twice in the recent past and had no stable management structure.

Critical Business Issue

- Costs and Supply Chain out of control
- Facing high penalties for breaking SLAs
- Jittery customers seeking alternatives

What We Found

- Improvement potential of \$12M
- Management team working at cross-purposes and without clear guidance
- Quality issues linked to poor/absent supervisory practices
- Excessive downtime caused by stand-alone maintenance scheduling and hasty return to operations from cash-flow pressure
- Poor work planning: excessive tool changes, sequenced at odds with customer demands
- Direct interference of customer planners in scheduling process, causing chaos on the line and a huge backlog of castings for machining
- Insecure workforce, ready to jump ship

What We Promised

- Improved planning and scheduling
- Overall cost reduction
- Improved quality and SLA attainment
- Lean Manufacturing and JIT integration
- Implementation of a new management control system (System For Managing)

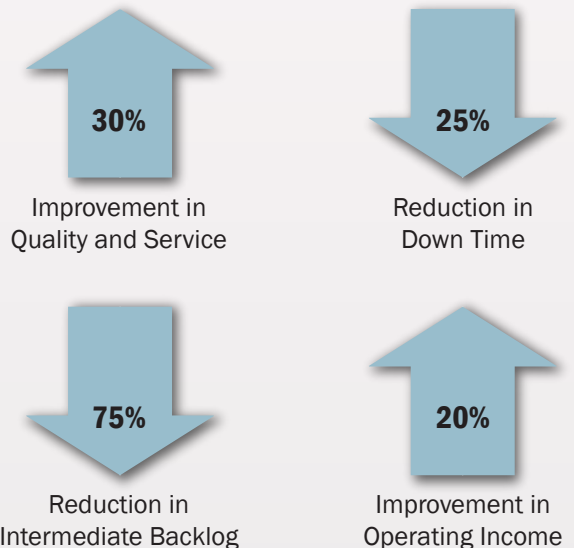
What The Client Said

"You have helped to breathe new life into the operation. We are changing hands again shortly, but at a higher price and better able to integrate with the new ownership."

MD

What the Client Achieved in 6 Months

Operating Income Improvement
\$10.6M against an investment of \$1.3M



How We Worked With The Client

- The organizational scan identified more than \$12M in potential performance improvements
- Improved all end-to-end processes, with our proprietary Symphony™ process improvement methods
- Redesigned the production planning process
- Restructured management and supervision
- Implemented true SMED and JIT practices
- Implemented Lean manufacturing
- Implemented System for Managing, throughout