

BlueWater Partners helps businesses identify and navigate a range of strategic alternatives. We specialize in senior-level advice on mergers, acquisitions, capital sourcing, performance improvement, turnarounds and merchant banking.

Operational Performance Improvement – Capacity and Throughput Improvement

A first-generation, \$12 million Metal Stampings Manufacturer serving automotive OEM and Tier 1 customers was underperforming with reported throughput and efficiency values ranging between 46% - 58%.

Situation

- Company was experiencing increased costs due to delays, defects and downtime
- Demonstrated asset efficiency averaged 32%, 14-26 points below the company's reported range of performance
- Downtime comprised 46% of scheduled run time with nearly a 50/50 split between process elements and mechanical failure costing the company \$900,000 in wages and \$15 million in lost capacity
- Changeover efficiency exceeded standard by a factor of 1.6x
- Press operators were performing various work tasks which created dozens of micro-stops per hour
- Company was required to add an additional shift in order to meet customer demand
- Plant layout was congested, had poor line of sight, and no clear traffic pattern

Solution

- Company engaged BlueWater Partners to conduct a Focused Improvement (FI) event to identify and implement system-wide improvements to increase throughput across manufacturing
- Conducted 10-day improvement event on 600T press (pilot) to capture current state, identify areas of erosion, and implement scalable solutions for improved layout, setup, and run

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- Performed Day in the Life Of (DILO) observations and categorized and quantified activities as value add, business value add, and non-value add
- Eliminated Lean Wastes, balanced workload across resource base, and applied 5S to improve layout and flow
- Established Production Ready container management area and end of line Quick Change 2-Bin Kanban model for part accumulation, container staging and replenishment

Results

- 26% increase in throughput on 600T press, recouping \$23,000 in wages and \$200,000 in lost capacity
- Increased value-add time at the machine enabling company to produce 100% of customer demand while eliminating unnecessary shift
- Established Future State plant layout that accommodates highest running product, consolidated “centers of excellence” for manufacturing, quality, tooling, OSP, and inventory activities, has dedicated perimeter aisle with E-W/N-S traffic, and clear line of sight, and incorporates Drop Zones for interior/exterior moves
- Delivered scalable improvement plan that recoups \$500,000 in wages and \$7.6 million in lost capacity due to process related downtime

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