LEAN MANAGEMENT JOURNAL

Issue 10 Volume 2 | Dec 2012/Jan 2013 | www.leanmj.com

MAKE YOUR MOVE

Examining the importance of developing a meaningful strategy to support your lean journey

Organisations featured in this edition include: Royal Wolverhampton NHS Trust, Boytas Mobilya, Yeo Valley, London Underground, Coskunoz Metal Forms, City of Irving, British School at Rome, Uludag University Hospital, Sila Teknik

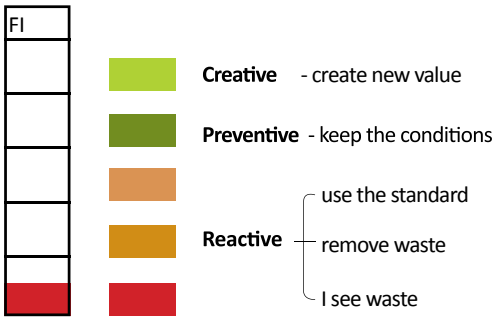
IN THIS ISSUE:

Down with downtime

SCGM is progressing its continuous improvement journey and lean has already brought several benefits to the company. CEO *Sandra Cadjenovic* gives LMJ the latest update.

After Lean Safety, Autonomous Management, Lean Quality and Cost Deployment, Focused Improvement is our next pillar to set up, with the aim of boosting equipment efficiency to the Zero Loss point, or "complete elimination of failures, defects, and other negative phenomena." In other words, the wastes and losses in equipment operation.

Like with our previous pillars, and together with our consultant, we have deployed FI in five steps in order to understand our position, remove losses, accept the proved-to-work measures for our standards (reactive phase), sustain the conditions (preventive phase) and create new values apart from just being proactive (creative phase):



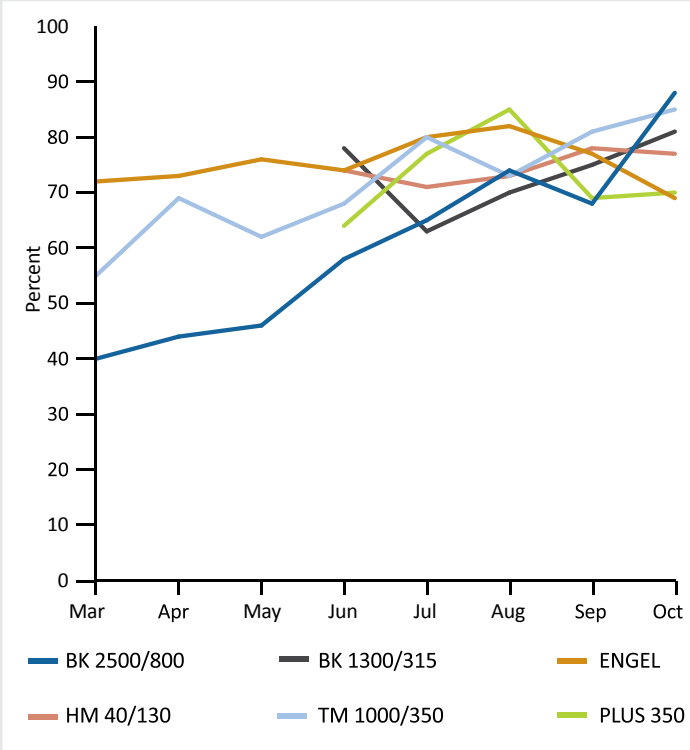


Figure 1: Monthly OEE

Reactive Phase - I see waste: We held the kick-off meeting with our cross-functional designated FI team, which embodies all the different departments (Production, Tool shop, Quality, Office and Maintenance) that are going to tackle specific losses within their competences and sectors.

The key metric of FI and our tool to realise where we stand is OEE charts, that we have been tracking for some time for each of the seven machines we operate.

Slides in front of us were providing satisfactory images of improvement, the results of our efforts. We were pleased to see that month after month we:

- reached the target of 85% in some machines, dramatically decreasing losses;
- eliminated unidentified losses, with all the operators now clearly understanding the purpose of writing down reasons for downtime;
- dramatically decreased machine breakdown, thanks to Autonomous Management;
- decreased long stops, since we have trained enough people to attend the process full-time, without leaving the workplace in order to fire-fight somewhere else;
- diminished tool changeover time by a great extent.

We have converted all the results into Euros, only to see that month by month our savings have been increasing, instead of losses. A good start, isn't it?

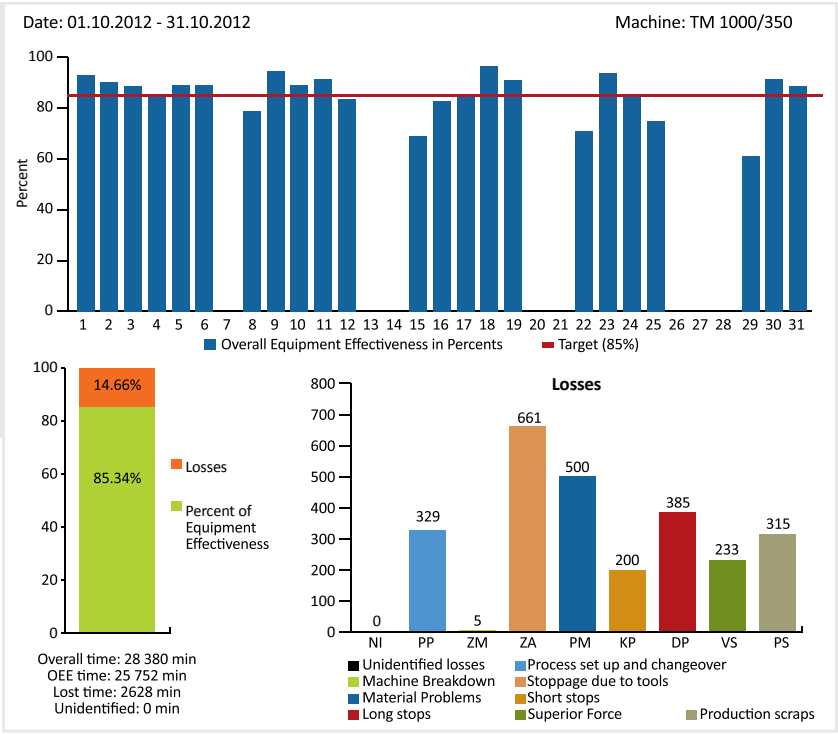


Figure 2: OEE measurement for October

After praising everybody for the good job they have done, we turned back to the figures that were lingering at about the same value, calling for us to act.

Stoppage due to tools proved to be the number one recurring issue. Tool defects are often detected only after the tool has been mounted on a machine:

Why? Because the injection molding operator did not notice the tool was not properly cleaned/preserved.

Why? Because he got a complete check list from the tool shop that was not properly filled in.

Why? Because the tool shop operator made a mistake.

Why? Because he did not see well/because the part to check was not in the check list/because he did not know.

Why? Because during the third shift it is hard to notice/because check lists are not detailed/because working instructions are not comprehensive enough.

After reviewing the problems using the 5Ws technique, we came to the conclusion that:

- More detailed check list should be put together to prevent the release of badly kept or badly cleaned tools;
- Tool checking should be made only during the day, for checks made during the third shift often failed to detect problems;
- Thorough double checks should be performed before mounting the tool on the machine;
- Improved working instructions should be provided along with training.

Second on our priority list are problems related to materials.

Among the measures we already took, automatic closed system material dryers and dozers for material coloring have already contributed to decreasing the problem. However, the figures are almost unchanged. Why?

Conducting the 5Ws analysis here as well, we realised that the next step is the installation of PLC in every dryer, which will allow us to control and handle drying, having material ready for the planned production starts – with no delays, as has been the case so far.

Now that everything is in our action plan, we can set off to accomplish our mission to cut downtime by 50%, for both tool- and materials-related issues.

BOJAN BOROVIC, CFO

The finance department connects all the sectors of a company. Therefore, it has been the business area that felt best about lean. Before lean was introduced in SCGM, people were working only for and within their own departments. It felt like it was couple of companies we were working with, which would sometimes hide things and blame each other. Lean is bringing everybody and everything back together.

Now, all that is done within the company is completely transparent, with the aim of improving the company as an entity, rather than a collection of units. We are all pursuing a common goal and I, as the company's CFO, can tell you why lean is working for us.

2012 vs 2011
Total income: +26%
Profit before taxation: +85%
Efficiency: +2.83%

We know that our productivity is not as high as it should be and that we need more automated processes. We know we have a lot do, which is perfectly in tune with our goal for 2013, which is tackling our weaknesses and incrementally improve.