Acme Stamping Steering: Lead-time & Inventory Reduction Project Status Review 3/6/02 Background Results •Stamping division goals require reductions in lead-time, and inventory of 25% this fiscal year. Lead-time Inventory \$\$ On-time delivery •Bracket value stream was a push style of operations with long lead-Days time, excess inventory, over-production, and poor on-time delivery performance. •A project was initiated to improve in these dimensions targeting full completion by June 2002. 10022 10022 Current Condition - March 2002 Productivity (Assv.) Overtime Stamping C/O Time Production PPH Min. Hrs. Control Customer Supplier Daily Order Shipping Stamping Welding & Assembly Manch 1022 Prep Area Press **Production Cell** 2.0 2.0 54" TT

Key Concepts Implemented:

days

1) Conversion to an improved flow of operations

days

2) Establishment of supermarkets for Raw, WIP, & FG inventory

days

6.0

- 3) Creation of replenishment style pull system with kanban signal
- 4) Creation of a pacemaker cell combining welding & assembly
- 5) Pacing of all work to takt time and hourly count boards

Production Lead Time

- Creation of detailed standardized work for welding and assembly cell
- 7) Leveling of the production schedule in terms of type and quantity
- 8) Reduction of changeover time at stamping
- 9) Reduction of lot sizes in stamping

Category	Remaining Problem	Counter- measure	Responsibility & Due Date
Lead-time	.5 days over goal	Reduce stamping WIP	PC by 5/30
Inventory	\$4K over goal	Purchase parts market	PC by 5/30
Delivery	N/A	Maintain performance	Operations
Productivity	1 PPH under goal	Eliminate overtime	Ops. By 5/30
Overtime	.7 Hours over goal	Eliminate minor stops	Maint. By 5/30
C/O Time	20 min. over goal	Reduce internal work	Eng. By 5/30

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