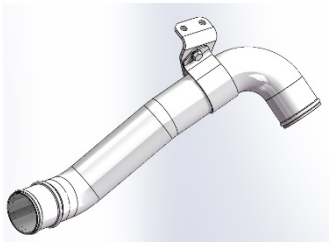
# Tier 1 Operational Improvement - Case Study

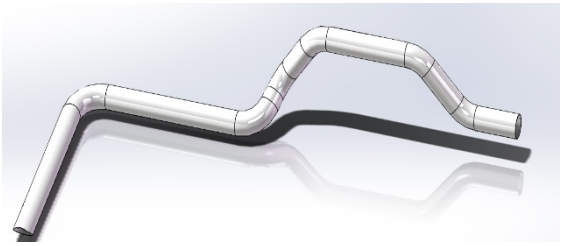
## Initial Situation

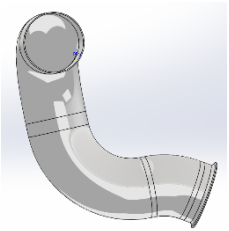
Tube Specialties (TSCO) part of Nelson Global Products, is a high volume tube manufacturer that produce product for the automotive vehicle market.

As the demand for tubed product increased TSCO found their ability to meet customer delivery expectations was becoming challenging and they needed to focus on rapid internal improvement to not only ensure they met customer delivery targets but also to avoid any financial or profitability impact to the business.

Lean Coaching were engaged in order to provide a program that would address key issues and challenges primarily focused to ensuring stability in production as well as building core competencies within the internal organization for future sustainability.







© LeanCoaching

# Tier 1 Operational Improvement - Case Study

tsco
Tube Specialities Company

## Executive Summary

### Objective

- Elimination of Customer past dues
- Reduce % of Labor Vs. Sales
- Reduce % of Scrap Vs. Sales
- Improve WIP and Finished Goods Inventory turns
- Reduce expedited freight of finished goods
- Create production flow based on demand

### Approach

- Deep dive diagnosis across entire organization
- Immediate containments to problem areas
- Mini-lighthouse program to ensure transformation
- Visibility of activities throughout plant and at stakeholders
- Develop internal agents to drive performance
- Sensei approach (I do – we do – you do)

### Results

- Flexible manufacturing organization with designated standard work and process confirmations
- Shop floor management including problem solving, displayed on information centres at all levels
- Robust quality systems linked to shop floor management
- Pull systems utilizing kanbans with defined inventory levels
- Cell layouts optimized for flow, personnel and floor space
- Structured scheduling and planning supported with PFEP
- Linked to global production operating system

### Client Benefits

- **Stabilized performance** with confidence in current ability to sustain current implementation
- **Financial stability** due to proactive management and measures based on current performance
- **Increased profitability** due to effective and efficient operations
- **Increased revenues** through utilizing latent capacity with current customers
- Show case example for other Nelson plants to benchmark against or realise potential

© LeanCoaching

# Tier 1 Operational Improvement - Case Study

## Analysis Outcomes

### Analysis

#### 1 Analysis Deep Dive

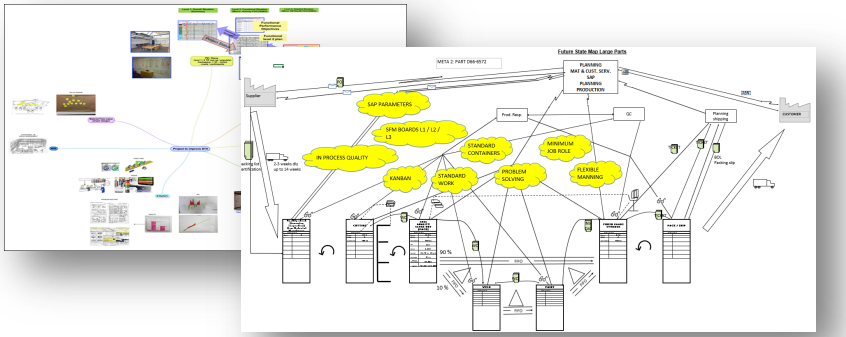
*Overall Assessment to determine strategic focus*

#### 2 Shop floor Condition

*Identifying Constraints at the Gemba*

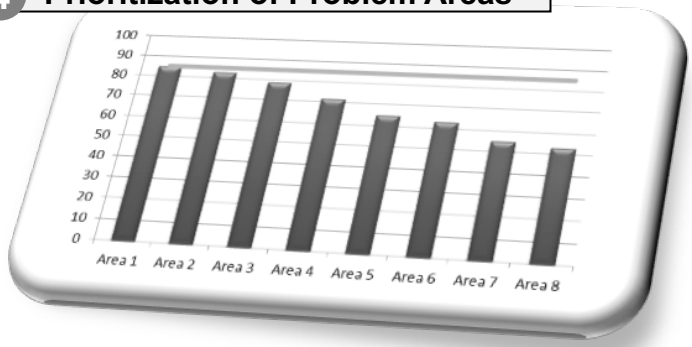
### Preparation

#### 3 Holistic View Created




*Value Steams mapped to highlight Bottleneck(s)*

#### 4 Prioritization of Problem Areas




*Top Issues impacting to KPIs*

© LeanCoaching

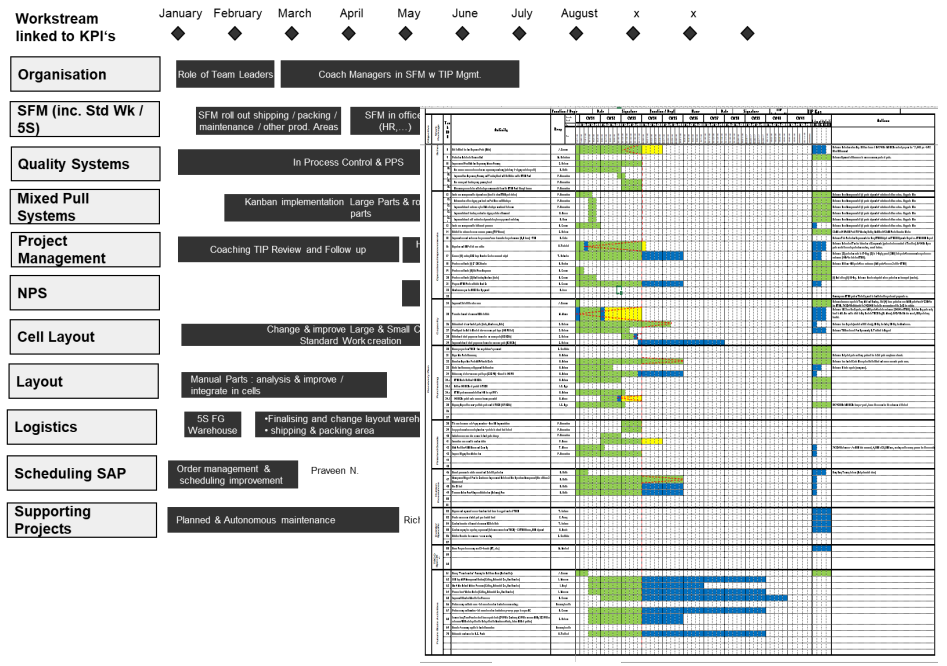
# Tier 1 Operational Improvement - Case Study

tsco Tube Specialties Company

## Program Detail

## Our Approach

### Roadmap




### Summary of Approach

**Objective**

- Operational Improvements for delivery and financial stability
- Scheduling, Planning, Inventory, Efficiency, Personnel
- All core business units to be included
- Alignment into Shop floor management
- Self sufficiency & Sustainment of standard(s)

**Measures**

- On Time Delivery (in full) - >98%
- Quality PPM - <50
- Labor vs Sales - <35%
- Scrap vs Sales - <3%
- Expedited Freight - <$7500

**Control**

- Obeya (war room) – project management
- Shop floor management review cycles
- Weekly reviews (CEO-Team)
- Monthly steering

**Enablers**

- Management and Internal Change Agents
- Thorough diagnosis and target setting
- Optimization of information centres
- Team development (role of leader, standard work, confirmations)

**Jishuken Approach to transform practices rapidly, allowing coaching of internal agents to drive sustainment**

**Entire involvement throughout organization CEO > Operator**

© LeanCoaching

# Tier 1 Operational Improvement - Case Study

tsco
Tube Specialties Company

## Deployment

### Implementation

- **Understanding Performance**

- **Information Centers**

- **Shop floor 5S & WIP reduction**

- **People Development**

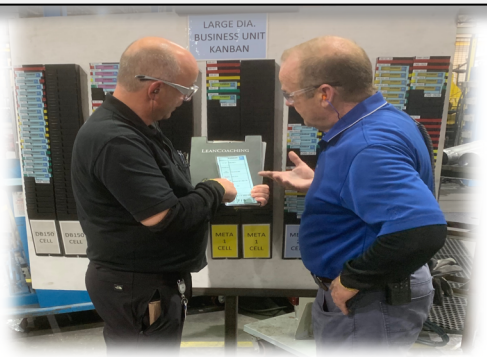
- **OUR COACHING METHOD**

**Socratic Coaching, Assigning our Experts to Key Personnel at every Management Level.**

**Coaching specifically on 'thinking way' and action assignments**

**'I do', 'we do', 'you do'**

- **Maintaining and Confirming**

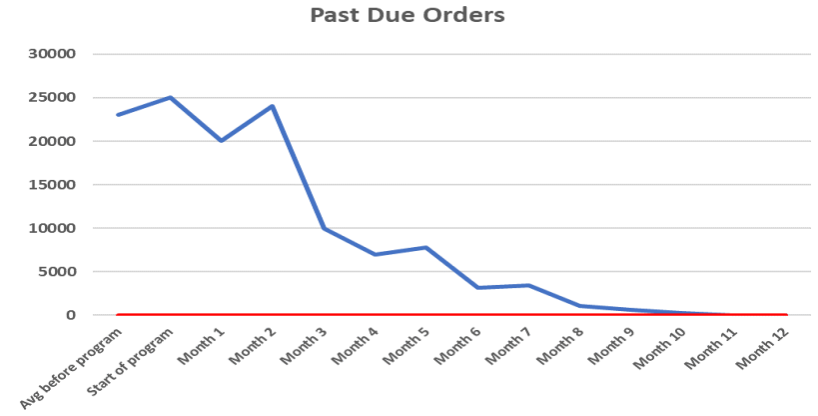


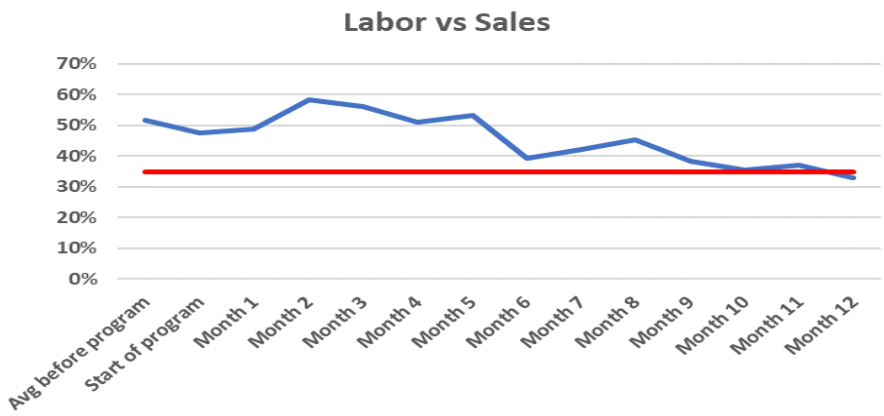
© LeanCoaching

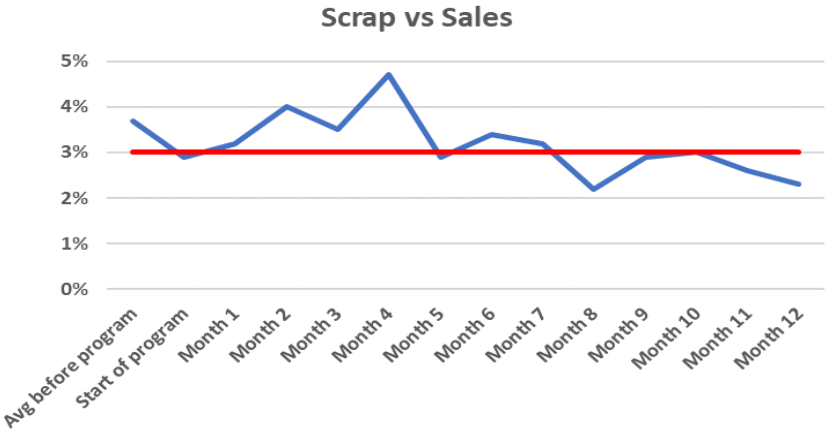
# Tier 1 Operational Improvement - Case Study

## Operational Results

### Program Results



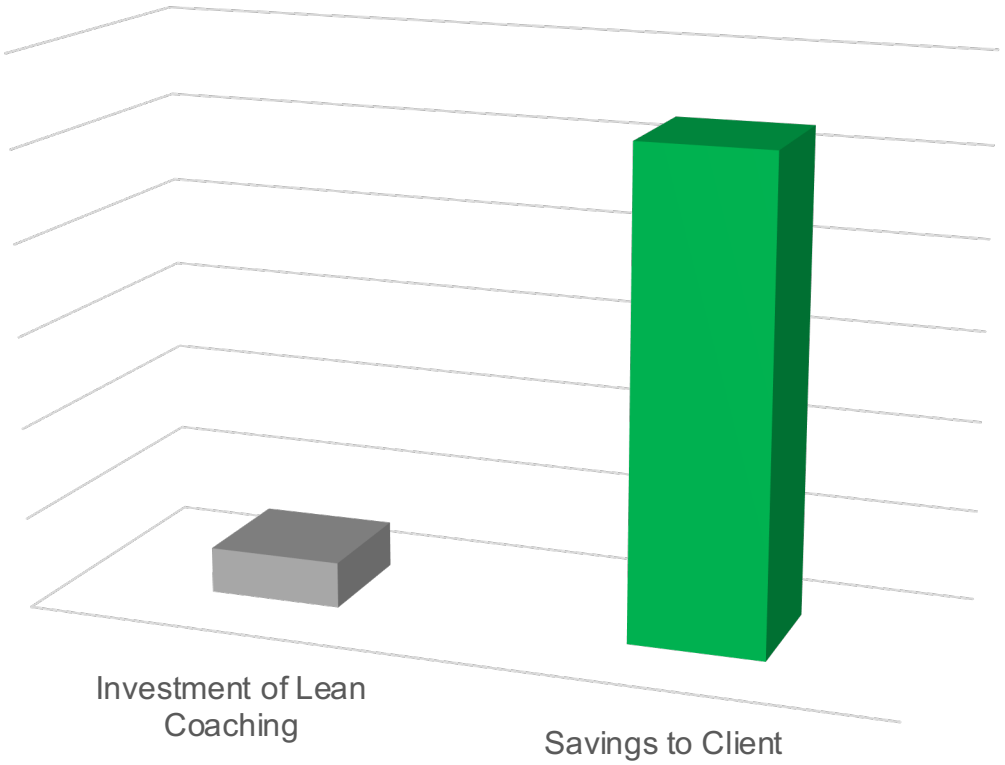



© LeanCoaching

# Tier 1 Operational Improvement - Case Study

## Operational Results

### Client Benefits




- Customer On Time Delivery >98%
- Operational Cost Reduction of >20%
- ROI – 10:1

© LeanCoaching

# Tier 1 Operational Improvement - Case Study

## Testimonial

### Client Confirmation

**Sid Harvey**

**VP & GM, Nelson Global Products**

**Tier 1 – Operational Improvement**

Lean Coaching was recommended to us by our largest customer as part of an effort to improve results, particularly on-time delivery at one of our largest manufacturing plants. The process started with a detailed analysis of plant operations from order entry through shipping and billing by a talented team of Lean Coaches. This analysis gave a very good early indication that we had engaged with the right people. The analysis and subsequent action planning served to generate belief and engagement on the part of the plant staff and from that point forward we knew we were getting the traction necessary for success.

Weekly senior management updates quickly began to show two important outcomes, Results were improving across the board, Lean Coaching was coaching but the plant staff was doing the heavy lifting. Key plant metrics including labor efficiency, product quality, safety, scrap, and on-time delivery improved steadily throughout the time of Lean Coaching's on-site presence but, far more importantly, they continued to improve as Lean Coaching wound down and ended their engagement. In retrospect the real value brought to Nelson Global Products by Lean Coaching was not in them solving our operational problems but in them giving our employees the tools and confidence to continue the progress on their own.
In terms of return-on-investment, our engagement with Lean Coaching has paid for itself several times over in less than one year and is clearly one of the best investments we could have made.

© LeanCoaching