



OPERATIONS CONSOLIDATION YIELDS SUPERIOR PERFORMANCE

The Problem

This manufacturer of electrical equipment in Midwest was faced with a building that was too large and expensive and a workforce of which the majority were approaching retirement. The manufacturing operations could not cost-effectively sustain the associated facility and labor costs. Although there were some significant opportunities to be gained through lean manufacturing implementation, there was not enough gain to offset the facility costs. This company turned to The ACCESS Group (TAG) to develop and execute an operations scenario that would keep the company competitive.

The TAG Team Solution

TAG, along with a small group of company personnel, led this company through a feasibility study and analysis to determine the potential gain of optimized production operations. A small company facility in Mexico appeared to have adequate capacity to support the added operations if a lean flow layout could be developed for the combined operations. TAG's Lean Team analyzed the existing operations and flow and was able to condense their manufacturing operations occupying 52,000 square feet of floor space and through rearranging operations in the Mexican facility fit the operations into a space of approximately 30,000 square feet. This analysis included development of an improved layout which created an environment for implementing elements of a 5S program to help find significant wasted space, developing improved flow patterns and station locations to eliminate wasted space and walking requirements, developing material presentation methods at the assembly line to save, time, travel, and storage space. And also, with an optimized layout, the manufacturing lines were much easier to see and able to add several key elements to make this a 'visual factory'. Many of the operators were involved in the development of this layout which created a strong level of buy-in and ownership.

The TAG Team worked closely with operations personnel to develop a comprehensive and well thought out execution plan to move the operations to the new facility. With careful planning and sequencing, the total operations were moved over a 10 day period, and some operations were functional before the last equipment was shut down in Indiana. TAG's project managers worked with the company and the Mexican brokerage company to provide an uninterrupted flow of components and equipment across the border. Proper build-aheads for identified components, pre-positioning of material and components, and detailed

communications with customers and suppliers resulted in a smooth and seamless flow of the operations with little or no impact to the customer.

TAG's alliance companies worked diligently to minimize the impact to the workforce and to optimize the continuance of production activities until the relocation was complete. Human resource services provided a variety of services to company employees to mitigate significant stress during very sensitive times. TAG also helped the company enhance its strategy to get rid of its expensive facility and move remaining operations into a suitable sized location.



The Outcome

With the execution plan documented in detail, the TAG and Company project team was able to successfully shut down operations, protect and pack expensive equipment and components and within 10 days begin to initiate operations in the consolidated facility. Within 10 days of all equipment arriving, operations were in start-up phase and production had begun. The analysis of inventory and location for this move was a first step that led the company to significantly improve their management of inventory. Today inventory turns are up while total inventory is down. The lean layout resulted in a requirement for 20,000+ square feet less floor space, productivity improvements of approximately 15%, and a visible lean foundation on which to seek further improvements. These improvements have led to a strong growth in business and employment for the facility. Currently new production records are being attained. TAG's turn-key approach was a significant value-adding ingredient for this company and our experienced team helped turn complex goals into simple understandable tasks.

On time – on budget

**Proper Prior Planning Prevents Poor Performance
The TAG Team proved the value of this small phrase.**

**For information on how TAG can assist you
call: 877-824-3647 or visit www.tag.bz**

*"Helping Companies Do Today What Others Won't...
...So That Tomorrow, They Can Do What Others Can't."*

