

## Competitive Business Solutions

# DISCIPLINE COUNTS: RAISING THE BAR FOR LEAD TIME, COST SAVINGS AND THROUGHPUT

CBS Consulting worked with a private equity client to greatly improve their operational performance for a recently acquired company. The company was previously family-owned and a quality leader in their industrial equipment market.



### INDUSTRY

Private Equity for Industrial  
Equipment Manufacturer

### SOLUTION AREA

Acquisitions and Integrations,  
Operational Excellence

After our initial assessment, we targeted production costs, production lead time and capacity/throughput. Additionally, the company lacked several basic business disciplines, like:

- Material Resource Planning (MRP)
- Sales, Inventory and Operations Planning (SIOP) Engineering Change Management

The result was rampant materials shortages, high levels of overtime and poor customer satisfaction (on-time delivery and quality). The organization had experienced several previous cycles of failed attempts to apply continuous improvement tools, like Lean/Toyota Production System (TPS). Workforce skepticism was high, and their Lean skill level and change readiness were low.

## BUSINESS CHALLENGE

Our goal was to double their current throughput with the resources on hand. This improvement would affect all three target areas:

- Double capacity with no additional people or equipment
- Increase productivity 25%
- Decrease lead times by 30%

Also, we worked to rapidly transfer knowledge to their leaders and employees to sustain these improvements.

## SOLUTION

- Developed a detailed plan for phased implementation starting with an initial project with heavy CBS support to train internal resources and demonstrate results. All subsequent improvement efforts were co-led by internal employees and CBS consultants to accelerate cycles of learning and foster independence.
- Addressed critical business processes—prioritizing and implementing as required:
  - Master scheduling
  - MRP
  - Product standardization
- Implemented a mixed-model “One Piece” flow line. Implementation included:
  - Deploying Standard Work
  - Point-Of-Use (POI) materials
  - Kanban material replenishment systems
- Identified and implemented jigs, fixtures, new methods to increase productivity and reduce waste
- Implemented Shop Floor Management, Lean metrics, Leader Standard Work

*“CBS has been our trusted adviser for the past several years during the entire deal process from due diligence through divesting the portfolio company. They have not only been strategic in uncovering hidden costs in the diligence process but have help us capture the savings identified as well.”*

**— Partner, Private Equity**



## RESULTS

- Doubled production capacity without the addition of equipment or resources
- Reduced product lead time by 80%
- Reduced overtime from over 25% to under 5%
- Increased productivity by 56%
- Greatly improved on-time delivery—they now consistently meet customer delivery commitments

**Ready to optimize the transformation of your organization?** We can help.  
**REAL BUSINESS CHANGE. FASTER THAN YOU THOUGHT POSSIBLE.**

Our operational problem-solvers bring unmatched industry experience, creative thinking and a collaborative approach to every client engagement. Call us at **973-509-0110 x147** for a private consultation to learn how we can help you with your continuous improvement efforts.