



CASE
STUDY

Competitive Business Solutions

CBS Visual Management and Control System Enables Client to Manage Real Time

A CBS client manufactures extremely complex and high tolerance product while operating in a very competitive market with high delivery demands from its customers. In this case, the company was under severe cost pressures as profitability and cash flow were not meeting corporate expectations. Additionally, their customers' volumes were increasing, and they were not able to keep up. The client did not have an actionable approach on how to improve their operating performance to meet customer demands or internal expectations. They were working hard to maintain production and trying to "fix" everything at the same time. By introducing the concept of a visual management system, CBS helped the client quickly identify the causes of performance issues, align resources and countermeasure appropriately. Then, the plant manager was brought in.



INDUSTRY

Industrial Manufacturing

SOLUTION AREA

Operational Excellence

THE CHALLENGE

The client has a complex manufacturing process with limited production scheduling and inventory control systems. At the time, the layout of the facility did not enable a "line of sight" production flow, and the leadership were new to their current roles. Basically, the facility was learning as it went along. All the associates were working hard with nothing to indicate their progress other than past-due customer complaints. Finally, there was no formal "score card." In other words, the site did not know how it was performing on a day-to-day basis relative to delivery and cost metrics.

"Our employees were working hard every day, but without a system, we weren't always working on the right things and therefore felt like we weren't getting anywhere. The visual management system aligned what we looked at with a system of how we made improvements."

— Plant Manager

THE APPROACH

Understanding the Opportunity:

Once CBS spent a brief amount of time with leadership to understand the issues, it was easy to see that the lack of a structured visual management system was a key missing component. Simply said, the client did not have a “system” by which to manage its business on a day-to-day basis. The primary element of the plan was to implement CBS’s proprietary Visual Management and Control System (VMCS).

There are four elements of the VMCS that were implemented at the site, including:

- 1) A three-tier performance management (KPI) process
- 2) Problem-solving
- 3) Gemba
- 4) Leader Standard Work

Deployment of the Solution:

The “system” was implemented over a short period of time, pacing to the client’s ability to learn, deploy and sustain the process. We started by implementing the site-wide performance management system, which consists primarily of the site-level KPI board, sometimes called the SQDC board. This visual tool resides on the factory floor in a “high traffic” area to be readily accessible by all associates. Each day the critical site metrics were posted on a large score board to see how we performed the previous day. (We also rolled up the daily metrics on a monthly basis and posted them on the board, so we had a long-term trend.) Further, each day we held a stand-up meeting with the leadership team at the board, and we reviewed the performance from the previous day. Simply said, we “closed

the books” each day versus waiting until the end of the month. When we achieved our daily goals, we celebrated. When we missed, we asked “why,” and then we conducted a root cause analysis to problem-solve the reasons for the issue. The key to all of this is “sense of urgency” i.e., we acted on missed targets immediately.

The same process that was used for the site-level KPI process was “cascaded” down to the department level and in turn to the machine/cell/line level. A similar daily meeting was held at those levels, so we could align to the site-level metrics and therefore manage our business with that same sense of urgency on a daily basis.

To ensure that the “system” was sustained and furthered developed, we then implemented the daily Gemba Walk. This is literally an in-person review of specified departments on the factory floor to observe the work being accomplished. In this case, following the site-level review each day, the leadership team went to a predetermined department. There, the department leader guided them through a review of the department SQDC board and then through a visual review of the department. The intent of the daily GEMBA was to:

- 1) Ensure that leadership was involved in the business and visible to all associates.
- 2) Support the team with problem-solving on the factory floor.
- 3) Identify opportunities on the factory floor that required attention in the interest of continuous improvement.

Finally, the last key element of the VMCS that we implemented was Leader Standard Work, which is a set of integrated activities that support the daily improvement of the department. Leader standard work was important to the organization as it encouraged the leadership team to be involved in the business all day and every day. A series of “checks and balances” was also established to ensure that activities were consistent with the intended results.

“The visual management system gave me the ability to clearly see where both common-cause and special-cause problems occurred each day. It also drove me to review results at the frequency the operations needed, not the standard reporting time of our tools. This allowed us to change our direction and not be a victim of the final results”

— Plant Manager



STATISTICAL RESULTS

- Product “A” with lead-time of 10 weeks went from 110 units past due to 0 in less than 5 months.
- A 2nd high profile Product “B” went from a weekly output of 10 units to 21 units, and shop throughput time was reduced by 30%.
- Plant-wide work-in-process was reduced by 50%.
- This particular plant was held up as a model for its adherence to the use of the visual management and control system.

CONCLUSION

As with many companies, this client represents the norm whereby the mindset was to wait until the end of the month to measure results and “close the books”. The CBS VMCS empowers companies to rethink that paradigm. Our system compels the client to take a “here and now” approach to running the business because we measure in very short-term increments of time (hourly at the work cell and daily at the plant level). Then we drive a “sense of urgency” to problem-solve when we miss our targets. The discipline is further enforced with leader standard work, so we do not allow ourselves to become complacent.

Ready to optimize the transformation of your organization? We can help.
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