

Kaizen Case Studies

PDG Consultants • PO Box 47361 • Minneapolis, MN 55447 • 866-404-7221

CASE STUDY: Lead time and inventory

CLIENT: Contract manufacturer (noted as such below)

Lead time and inventory issues prompted the need for a Kaizen event at the contract manufacturer. The team assembled had a variety of experience and areas of expertise and benefited from a kanban simulation tool that provided practical applications for learning. Because of what participants learned, they were able to arrive at a consensus and implement a full kanban system.

The system that was implemented uses a web cam (PDG saw this implemented by another client) which provides the contract manufacturer's supplier immediate vision of what parts are being pulled so an empty truck can be filled and needed parts delivered in a timely manner.

As a result, 5,572 square feet was freed up which allowed the contract manufacturer to move more equipment into its buildings and decrease the number of buildings it operates. The company's goal is to reduce the number of buildings from five to three which decreases overhead and increases productivity capabilities. Additionally, lead time was reduced by 75 percent (from four days to one day) and there was a 55 percent reduction in the number of raw to finished goods product touches (from nine to four).

	CURRENT PROCESS	NEW PROCESS	IMP (%)
TOUCHES (OUTBURST)	15	2	87%
TOUCHES (BIRDWING)	9	4	55%
SQUARE FEET SAVINGS	N/A	3,426	N/A
RECLAIMED OUTBURST SPACE	N/A	2,346	N/A
BIRDWING STOCK (PALLETS)	80	37	54%
BIRDWING LEAD TIME	3-5 days	1 day	75%