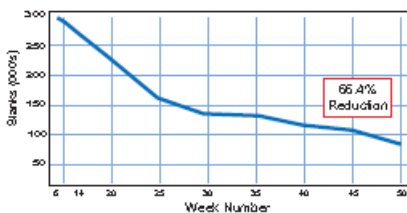


Reducing Inventory by Using a Pull System

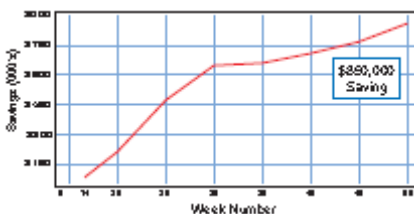
www.solutionsthatperform.com

Results

- A 66.4% reduction in inventory equated to a savings cost of \$850,000
- A cost of \$1,000,000 was avoided (due to be spent on new storage pallets) by reducing inventory, therefore releasing 360 existing pallets
- A reduction in floor space was achieved by 53%
- Improved changeover times from an average of over 3 hours to down to 45 minutes
- There was also an improvement in the quality of the final pressed part due to the introduction of a FIFO system. Parts were no longer stored for months at a time, preventing corrosion



Savings Over Time



Reduction in Blanks

Client Challenge

- Introduce a Pull System to control inventory levels within the stores of an automotive Press Shop
- Reduce the amount of floor space used to store inventory and dies
- Use a customer demand to dictate the build schedule

Our Solutions

- Introduce a two pull delivery method (production instruction kanban) to schedule batch built parts for a Blanking process and a Press process
- Develop a Min Max inventory policy to prevent overstock
- Introduce a FIFO (First In First Out) system into the Market place to support reduction of inventory

Solution Implementation

- A Current State Map was developed to show numbers of parts built, batch run sizes and changeover times for the presses
- A Future State Map was developed to show improvement benefits of a Pull System
- Roles and responsibilities were written for all levels of the organization and relevant departments
- Training was given to all press shop personnel and support departments
- Quick Changeover training introduced
- Concern and Countermeasure was initiated to support the project
- Visual Factory techniques were implemented to support the management of the market place
- Daily Audits were set up for all supervisors via the use of a 'Kamishibai' process confirmation card system