



Tier One Supplier Case Study

Group Leader
Coaching

SCOPE

This case study describes a 12-week Group Leader coaching at a Tier 1 supplier site. This initiative comprises a series of Kaizen activities that links coaching to a demonstrable return on investment (ROI).

AIMS

To increase the effectiveness of Lean Leaders and ensure a successful rollout of the client's Lean Programme. Also, to deliver the following performance improvements targets within their area of responsibility:

Reduce Machine Downtime Losses

Machine 1	Current: 67%	Aim: 1.5%	Decrease: £283K
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Scrap Reduction

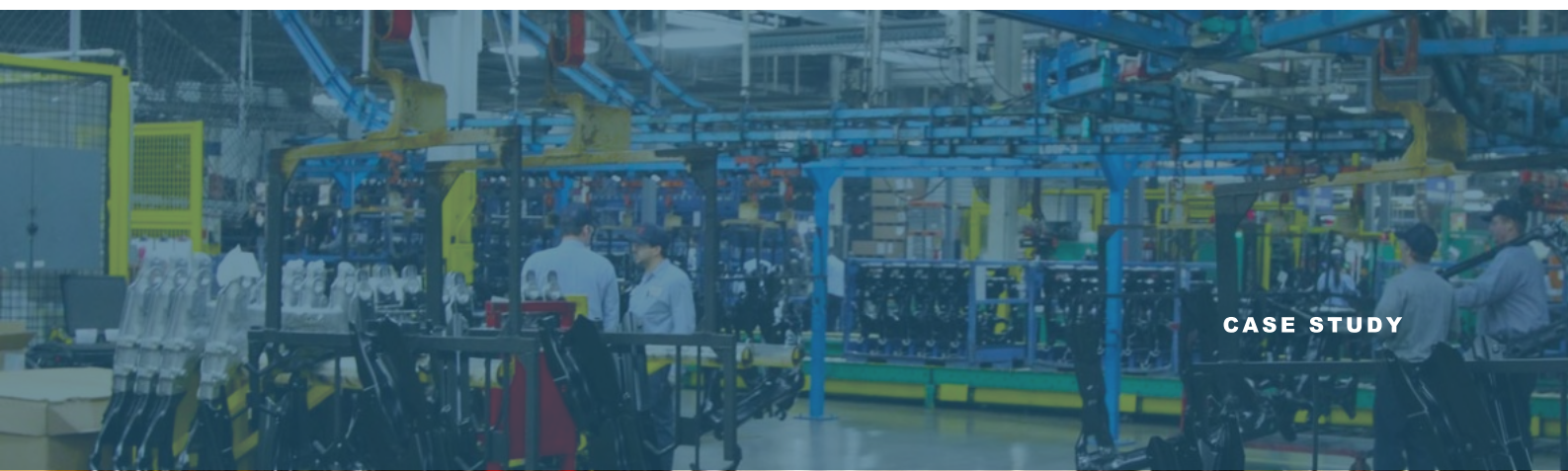
Process 1	Current: £301K	Aim: 15%	Decrease: £45K
Process 2	Current: £319K	Aim: 15%	Decrease: £48K

APPROACH

Group Leader Coaching

The core of this initiative was delivered via coaching the Group Leaders to improve their competence as Lean Leaders and consistently deliver performance improvement in their area of responsibility.

The activity centred around supporting the Steering Committee and Lean Team in intensively coaching their Team and Group Leaders in Daily Management and Problem Solving. This included the assessment of the application of various Lean Programme Tools and how the Leaders are guiding and coaching their teams.

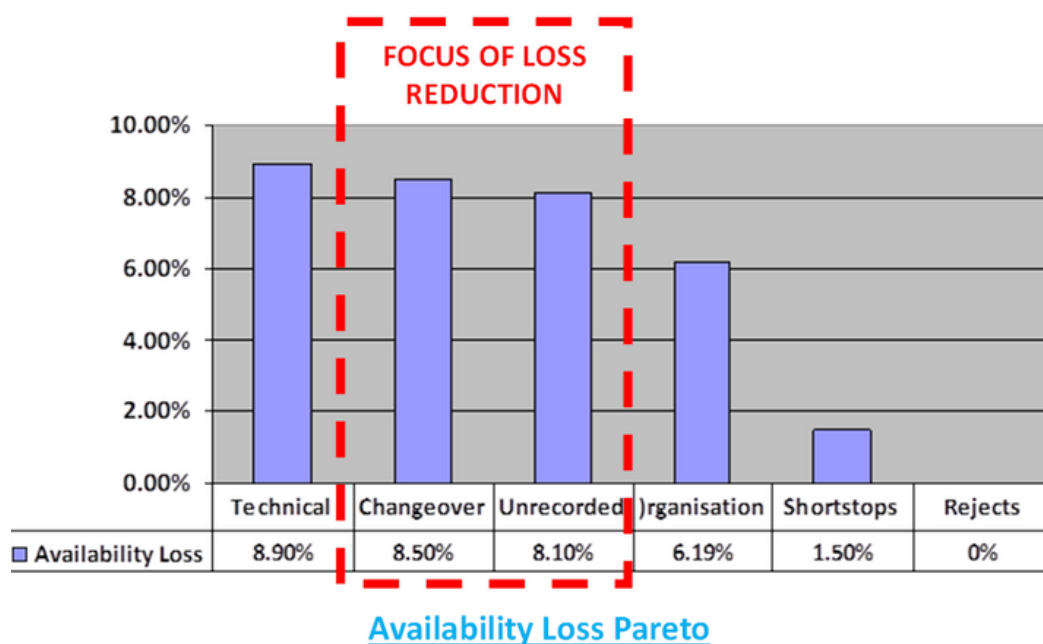


Associated improvement opportunities were identified, and a coaching plan was developed and deployed to close the gaps. The Lean Programme areas of focus (against which competence was measured) included daily performance management, problem solving, time management and a series of Lean Leadership behaviours.

In addition, to facilitate the learning, the Kaizen activities selected were related to performance improvements a Group Leader could directly influence. The details of these are described in the following sections.

Reduced Machine Downtime Losses

A manual loss recording system was implemented as there was no detailed loss-gathering at the start of the initiative. The loss intelligence system created gave an area of focus to the improvement effort and demonstrated that it delivered the desired impact on performance.



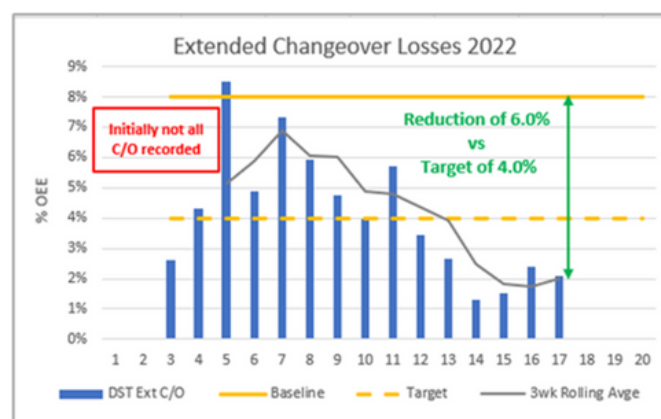
After initial data gathering, it was produced a Pareto to select specific losses to be attacked and reduced. The losses selected for reduction were extended changeover and unrecorded downtime. These losses were significant and could be directly influenced by the Group Leaders.

Extended Changeover Losses

The extended changeover losses were addressed in a Kaizen Event. The automated pallet exchange system that should typically take less than 5 minutes was frequently recorded between 20 and 45 mins due to responding to late priority planning, a lack of pallet flexibility and material availability.

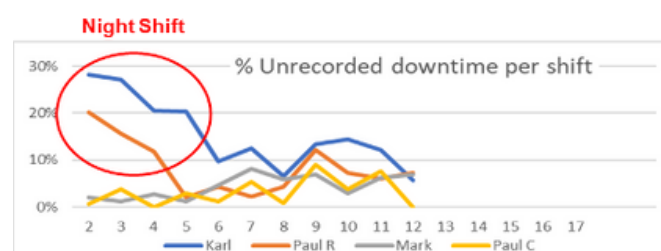
During the Kaizen Event, the team focussed on reducing the incidence of extended changeovers by overcoming equipment limitations and ensuring pallets were always ready and waiting to be loaded. New 'guidelines' / operating standards were created, communicated, and adopted by Logistics and Operations across all shifts.

The impact of the kaizen activity is shown graphically below. The 3-week rolling average of extended changeover loss reduction can be seen to fall from the benchmark of 8% to 2% over eight weeks. It is also anticipated that this loss will fall further over the longer term.

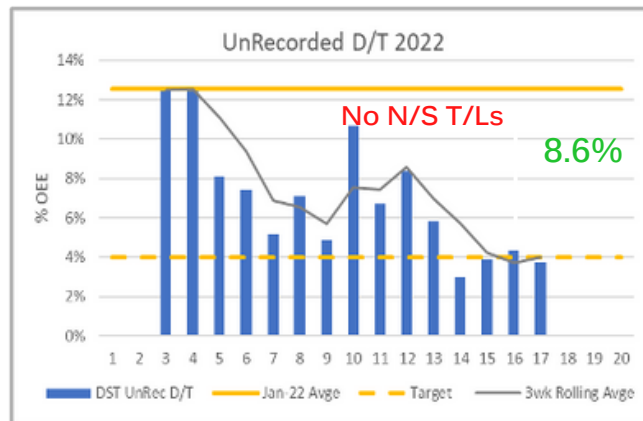


Unrecorded Downtime

The adjacent graph demonstrates the unrecorded downtime on the night shift was higher than on day shifts. It comprised genuine downtime that was simply not being recorded, and more importantly, downtime of machines that were left idle towards the end of shift when they could have been producing a good product. This contributed to an increased number of extended changeovers at the start of the day shift.



The Group Leader addressed the issue by coaching the night shift Team Leaders in recording downtime and addressing team performance issues, ensuring the machines were not left idle.



The unrecorded downtime was reduced by 8.6% by Week 17 (based on a 3-week rolling average) from a benchmark of just over 12% in Weeks 3 and 4. Conservatively, the machine idle time loss was reduced by at least 2.15% (annualised).

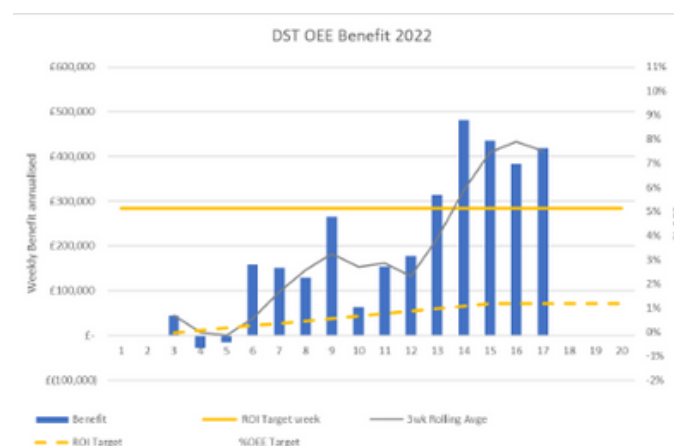
In summary, the Machine availability losses have been reduced as follows:

- **Improvement (reduction in) Changeover Availability Losses = 6%**

- **Improvement in (Unrecorded Downtime Losses) related to idle machines = 2.15%**

Annual forecast benefit at week 17 run rate: £329K (annualised)

This is calculated based on an estimated saving £120.00 per hour for displacing outsourced activity.



MRB Scrap Reduction

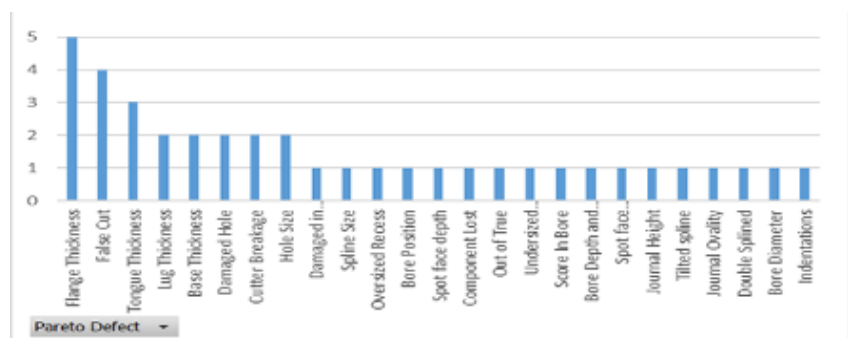
The activity to reduce scrap was focused on the two process areas, namely Process 1 and Process 2 value streams.

The Process 1 & 2 daily management process had fallen into disrepair, and along with the Quality Reviews needed to be resurrected. Initial observations led to a range of measures to standardise meetings across the value streams. These measures included creating identical Process 1 & 2 Registers with dashboards, defined protocols leading to improved meeting organisation and the reintroduction of problem-solving activity by the local teams.

Simple kaizen activities are now being undertaken to address basic underlying causes associated with rework, concessions, and minor deviations. In addition to this, 'deep dive' activities are undertaken to tackle chronic issues, and A3 problem solving is used to address more significant sporadic issues such as outbreaks of corrosion.

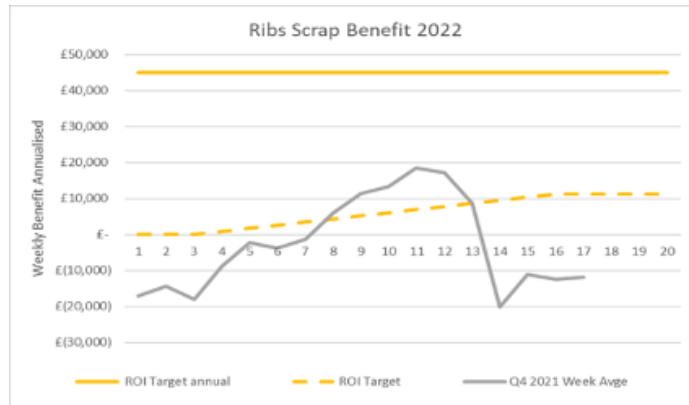
As further loss intelligence is built over time, the Pareto will show other losses that, when resolved, will deliver additional impact.

An example of the Hard Metal Scrap Pareto is shown in the adjacent graph.

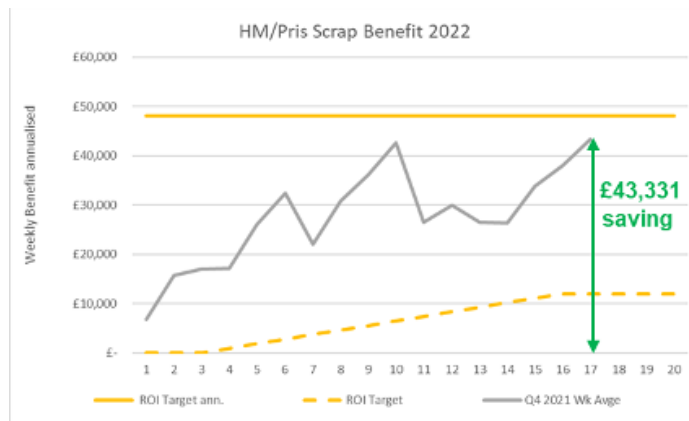


A comparison was made between the average cost of scrap in Q4 2021 (benchmark) and the current cost of scrap to demonstrate the impact of Process 1 & 2 Scrap Reduction. The improvements are a result of both the Kaizen activity (generated as part of the Process 1 activity) and the general focus the Group Leaders are creating within their teams on scrap reduction.

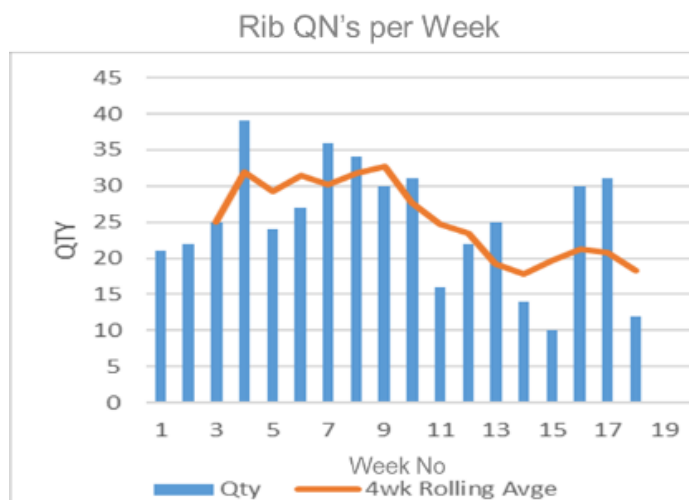
In Process 1, despite a promising start, the current benefit dropped by **-£12K** in Q1 2022. This was significantly influenced by a WIP of items machined before the coaching activity started in 2021.



In the Process 2 Area, an accumulated benefit in scrap reduction costs of £43K was achieved year to date (week 17), which relates to an annualised benefit of £133K.



On a positive note, 'deep dive' kaizens had been undertaken on numerous issues, and improvements were seen in the reduction of Quality Notices (QN) generated.



RESULTS

RETURN ON INVESTMENT SUMMARY

*13% above the predicted final saving goal:

The following annualised savings have been realised:

ROI 4.0:1

£434K

Loss	Target	Actual
Machine 1 Downtime	£283K	£328K
Process 1 Scrap Reduction	£45K	-£37K
Process 2 Scrap Reduction	£48K	£133K
Total	£376K	£424K

The Return on investment is, therefore:

	Cost	Saving	ROI
Target	£107K	£376K	3.5:1
Actual	£107K	£424K	4.0:1

