



Back on Track

The application of ToC in train organisation Railcare



Everybody in the business knew that they had to change, they just didn't know how, but with these tools our improvements in the business have been substantial



Rob Baxter - Managing Director (Railcare)

GOLDRATT^{UK}
Knowledge that delivers™



Railcare - Phase 1

CASE BACKGROUND

Railcare is one of the UK's leading rolling stock MROs. The company however were suffering continuous pressure from customers to get their rolling stock back into service, revenue was at stake otherwise. Faster turnarounds, lower costs and higher reliability was demanded. As a result, a number of issues needed to be addressed:

- | Parts suppliers charged too much and were providing unreasonably long lead times
- | Investments in inventory parts to protect turnaround times was far too high
- | Huge uncertainties about the scope of a project, until the equipment had been examined

THE APPROACH

From the get-go it was clear a big task was at hand, management were facing challenges across the business and they needed solving quickly. To overcome these issues Goldratt UK did the following:

- | Controlled the levels of work in progress, by implementing a simple but visible priority system so the right work is completed
- | Identify Railcare's main bottleneck to increase areas of limited capacity
- | Source a new low-cost parts provider that is reliable on delivery
- | Investment on new equipment and employee skills development

THE RESULTS

During the first phase of Railcare's implementation there were significant results:

- | Output increase of 50%
- | Lead times fell by 20%
- | Supply chain issues were resolved, whilst the number of inventory parts required fell by 25%
- | 20% reduction in the size of the rotatable float

What did these results look and feel like?

- | Increased visibility on the shop floor meaning staff and management knew what to be doing and when. This reduced the amount of firefighting from senior staff members
- | Increase in the staff morale - which resulted in an increase in output and operational performance
- | Business to client relations improved dramatically, which further increased the amount of business the company had.



Railcare - Phase 2

CASE BACKGROUND

Having seen positive results in their first implementation Railcare saw another opportunity to improve their business, in Sales. Due to most rolling stock being owned by very limited number of organisations Railcare realised they needed a decisive offer to significantly increase their market share they needed to address a number of areas:

- | Improve the image of Railcare as there was no confidence in them as a supplier
- | Little differentiation between all MRO organisations
- | Very few opportunities to make new clients as contracts run for 2+ years
- | Large focus on price from clients

THE APPROACH

Having developed a new operational process, with Goldratt UK prior to phase 2, the idea to co-ordinate their delivery and newfound reliability had to be at the forefront of their new sales strategy. So, to increase their sales the approach made was to:

- | Align the engineering and sales activities so any sales promises and guarantees could be met
- | Coaching the sales team on what is the organisations new value- based selling techniques
- | Focusing the first sales interactions with clients on their needs, not on what Railcare can deliver

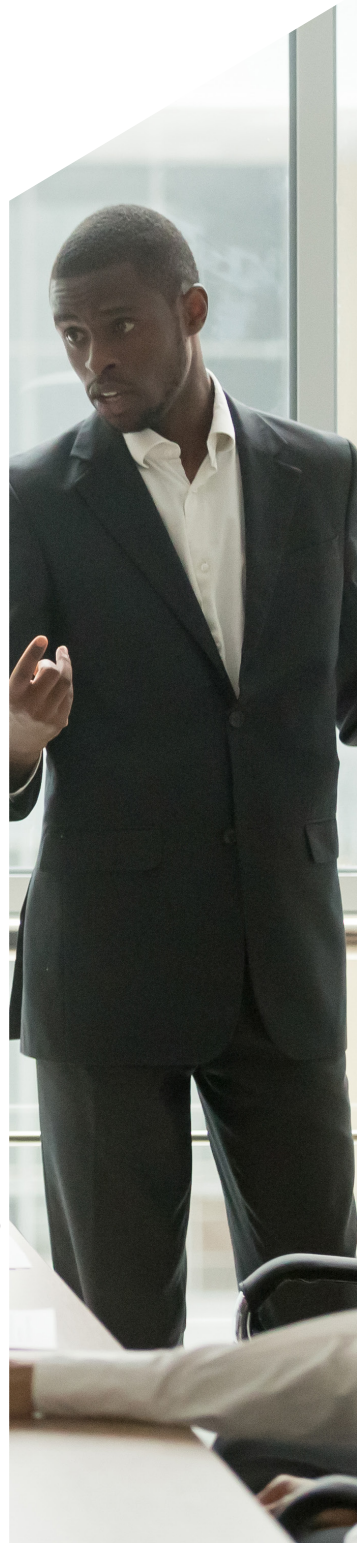
THE RESULTS

When improving Railcare's Sales process the results noted were:

- | Substantial increase in conversion rate, meaning more clients
- | The sales activities were more focused on better higher quality leads
- | More streamlined sales process, meaning less meetings required to win new clients

What did these results look and feel like?

- | Sales, operations and the Engineers are working all in unison, to provide the perfect client solution
- | More focus on the preparation and less failure when trying to deliver it
- | Improved discussions with clients, meaning their needs are better understood
- | Increased confidence from clients that Railcare will deliver what is required



With over 25 years of experience Goldratt UK can help both small and large organisations transform their manufacturing operations into a systematic and organised environment, which results in you meeting you deliver in full and on time, every time.

Typically we will

- > Increase Delivery Performance to 99%
- > Reduce Lead times by up to 75 %
- > Reduce Inventory to release help up cash by up to 50%
- > Reduce your internal costs by up to 20%
- > Increase capacity by up to 50%
- > Increase sales up to 20%
- > Increase potential profitability by 100%

Contact us on:

Tel: +44(0)1234 834510
Fax: +44(0) 01234 252141
Email info@goldratt.co.uk
Web www.goldratt.co.uk

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