



## Operational Improvements

The application of ToC within two British Manufacturers.



We are no longer fighting to hit end of month output targets - we are surpassing them without breaking a sweat. ■■

**Richard Gipp, Operations Manager - Cooper Crouse Hinds**

**GOLDRATT**<sup>UK</sup>  
Knowledge that delivers



## Cooper Crouse Hinds

### CASE BACKGROUND

Crouse-Hinds are premium manufacturers of explosion proof metals and junction boxes but as their order book began to grow, they started to struggle with hitting their due dates. In addition, they were a long way off the industry lead times standards of 8 weeks. Some of their biggest challenges were:

- | A deteriorating due date performance of around 35%
- | Uncompetitive lead times which were getting even longer
- | High amounts of working capital tied up in materials and WIP
- | High levels of overtime to cope with the large workload

### THE APPROACH

The main aim was to find hidden capacity and improve customer satisfaction by becoming more reliable. To do this the following strategies were developed:

- | Identify and get a consensus on the biggest issues within the work areas and find a solution
- | Increase the output of the main constraint resources and make sure it was working on the right orders
- | Plan and develop a release and buffer management system with operations

### THE RESULTS

After spending only a short amount of time with Crouse Hinds significant improvement were made, which only got better as time went on. The results however were far beyond what they ever

- | On time delivery rose from 35% to <80% on time and in full in 3 months, which later increased to 98% when the new implementation was fully up and running
- | Record sales were received due to Crouse Hinds becoming the most reliable provider in the industry
- | Work in progress reduced by 50%
- | 40% extra capacity was revealed without any further investment

#### **What did these results look and feel like?**

- | There was a united workforce working towards the same business measures
- | Better relationships with clients because of the improvement in reliability
- | Smother flow through production
- | Visibility of priorities – no more “who shouts the loudest”



# Camvac Limited

## CASE BACKGROUND

Camvac are a food packaging company who had a very reliable delivery performance of around 90% but the general Manager challenged them to improve it to <95%. Furthermore, an issue arose when client's ever-increasing demand for improved service had put a strain on the levels of capital employed in holding stock.

The organisation also wanted to reduce the finished goods and semi-finished goods stock holding by 75 tonnes, which related to around £300,000.

## THE APPROACH

To reduce the stock, analysis of historic product demand was taken to identified realistic stock targets rather than using their forecasting methods. In addition, their way of working (replacing stock on a frequent basis) was changed to a work to replenish system. Finally, the Drum-Buffer-Rope management technique was applied for areas of work that had high touch times.

## THE RESULTS

After being with Bespak there were some clear improvements that were visible in the company. These benefits were:

- | Finished and semi-finished good stock reduced from 700 tonnes to 446 tones
- | Over £1 million in cash was released
- | Delivery performance rose to 97%

### **What did these results look and feel like?**

- | There is a single, clear and visible priority system throughout procurement, operations and distribution
- | Far better visibility throughout the business and supply chain
- | Account managers are focussed on winning business rather than chasing up existing orders.



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 your delivery targets 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%

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