Operational Excellence At Modular Kitchen Manufacturer

Case Study
India

About Client

The client is one of the leading manufacturers and suppliers with over 13 years of experience in the kitchen industry. They have perfected the art of crafting premium modular kitchens that bring the family together. They build a kitchen from the scratch by carefully understanding all requirements and finding optimum solutions to the same.

Their major products are mixer units, soft closing cabinets, pantry units, cutlery units, etc.

**Objectives**

- Increase capacities
- Improve dispatch
- Improving inventory management mechanism
- Preparing standard operating procedures
- Improving layout design
- Improving production planning

**Analysis**

Post detailed analysis, following key improvement areas were identified and finalized:

- Long production schedules
- Higher Lead Time
- Delay in deliveries
- Stockouts
- Excess inventory
- Lack of suitable Organization Structure

**Approach**

- Identifying improvement opportunities
- Designing and rolling out Five S
- Designing the layout for better material & production flow
- Streamlining production planning
- Implementation of Kanban for effective inventory management
- Franchisee audit & franchisee standardization workshop
- Designing and rolling out the problem-solving module to accelerate sales
Project Implementation

- Assessed the current situation and prepared a roadmap to overcome the operational challenges
- Identified the improvement opportunities and prioritized the same based on need
- Prepared and rolled out the modified layout design to improve the production and material flow
- Implemented Six S (Five S + Safety) practices for improved organizational culture
- Eliminated the non-value adding activities through the Value Stream Mapping Exercise
- Streamlined the production planning to improve the OTIF (On Time In Full) delivery performance
- Implemented Kanban to reduce excess inventory & stockouts and improved inventory management system
- Established and rolled out the problem-solving module
- Reduced the delayed dispatch issues to zero with the help of problem-solving mechanisms
- Analyzed the franchises on various key aspects of standardization which had direct influence on sales
- Conducted the franchisee workshops to identify and improve the marketing aspects
- Review mechanism established and rolled out to review the monthly targets and action plans

Results Delivered

Overall delivery time reduced by 60%

Production capacity improved by 66%

Production per hour improved by 100%

Stocks out reduced by 100%

OTIF improved by 55%

Transportation index reduced by 18%

Inventory reduced by 40% & Inventory days reduced by 43%

Sustenance

Implemented results shall be sustained over a period of time using Systematic Audit & Improvement Loop (SAIL) & Daily Work Management (DWM)

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