About Client

Client group is one of the global tier-1 automotive component manufacturers and suppliers of exterior lighting systems, plastic and polymer components, electrical-electronics components, and precision metallic components to passenger car, commercial vehicle, two-wheeler, three-wheeler and off highway vehicle ("OHV") OEMs directly worldwide. The company is one of the leading global passenger car lighting suppliers and amongst the top 2-wheeler automotive component supplier in India.

Client offers best design solutions that give customers a competitive edge in their markets.

Objectives

To reduce throughput time
To improve inventory management
To improve cash flow
To improve productivity
To reduce wastages
To reduce Process Cycle time
To improve capacity
To improve standardization

Analysis

Team Faber Infinite conducted a detailed analysis and following were the observations:

- High throughput time
- Low productivity
- Quality Issues
- Lack of proper inventory management
- High wastages
- Lack of standardization and visual management
- Lack of data recording and monitoring system

Approach

Project Initiation

- After a detailed discussion with the client, a strategic plan for improvement was prepared for achieving manufacturing vision
- Conducted Value Stream Mapping Exercise
- Conducted focused kaizen events at each unit
- Rolled out Five S (Five S plus Safety) methodology
- Formed project charter for line layout optimization
- Conducted runner – repeater - stranger analysis for inventory
- Future State implementation
- Implemented Daily Work Management framework (DWM)
Project Implementation
Team Faber Infinite, undertook the following steps for implementation of the operational excellence journey

- **Prepared a strategic plan**
  Designed a roadmap for operational excellence, keeping in mind the objective to improve product quality at optimum cost with good customer service.

- **Mapped current states through Value Stream mapping**
  Current states for two lines were plotted by interacting with team members and accordingly prepared a project plan for line layout.

- **Implemented Kaizens**
  Conducted Gemba walk and prepared a list of kaizens to reduce inefficiencies in the current state. Conducted a product process & process quantity analysis. Prepared the spaghetti diagram & conducted time study for the value-added activities to reduce the wastages in value stream.

- **Establish Inventory Management Mechanism**
  Finalized Standard Operating Procedures (SOPs) for inventory management, also monitored status of inventory management mechanism. Classified all the items into three categories namely runner, repeater and stranger. Conducted detailed analysis for these categories based on FTVQ (Fixed Time Variable Quantity) inventory management model.

- **Defined Standard Work for leaders**
  Set & clarified the standard roles and responsibility for leaders, so that they will support the improvement projects. Designed mechanism for standard work finalization, prepared Gantt chart for standard work. Created daily standard work sheets for different key persons of the organization. Revised KPIs (Key Performance Indicator) in BI module.

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Results Delivered

Reduced throughput time of line 1 from ~15 days to 10 days using VSM.

Estimated cost savings INR ~1.7 crore (INR 17 million) with cash flow generation of INR ~29 lacs (INR ~3 million)

Improved manpower productivity by ~21% on line 2.

Capacity improved by ~60%

Productivity improvement by ~20% & cost saving of INR ~60 lacs (INR ~6 million) on line 2

Proposed cash flow generation of INR ~2 crore (20 million)

Proposed inventory reduction by ~43%

Sustenance

Implemented results shall be sustained over by using Systematic Audit & Improvement Loop (SAIL) & Daily Work Management (DWM)