

Sweeping Inventory Savings Off the Floor with Rapid Action

The largest assembly plant for a high tech equipment manufacturer deployed a worker team armed with a simplified Lean Six Sigma process to solve an inventory problem in less than 60 days, producing a windfall of more than \$700,000 in increased operating margin.



SITUATION The assembly plant's operating margins were hindered by excessive holding costs associated with component parts inventory buildup due to a number of product model changes.

TEAM ENGAGEMENT STRATEGY A team comprised of inventory clerks, production line associates and a shift supervisor was assembled to attack the problem using **Rapid Action**, an "all in one" team engagement toolkit for accelerating results.

RAPID ACTION PROJECT CHARTER How can we reduce the level of component parts inventory while maintaining production levels in order to improve the plant's operating margins?

- SAMPLE SOLUTIONS IMPLEMENTED**
1. Analyzed all inventoried components to identify slow-moving items and established a sorting system to ensure faster cycling of all inventory components into production.
 2. Developed a procedure to retrofit obsolete inventoried components for reuse in new production.
 3. Established a communications process with a sister plant to pool excess inventory before re-ordering.
 4. Developed a simple kan-ban system to pull needed components more quickly into the production line.

“ We had tried to solve this problem many times before, but with little results. Rapid Action brought us together effectively and got us all moving to action very quickly.

– PLANT MANAGER

RAPID ACTION TEAM RESULTS

1800
parts in inventory
refurbished for production

\$364,000
improvement in plant
operating margin within
60 days

\$335,000
operating margin gain over
the next 10 months

58 days
cycle time from team
launch to wrap-up

RAPID ACTION FOR LEAN SIX SIGMA Sweeping Inventory Savings Off the Floor with Rapid Action



The “All in One” Team Engagement Toolkit for Accelerating Results



Prelaunch Planner



Action Accelerator



Scripted Meeting Guides



Quick Read Booklets



Idea Sorting, Prioritizing and Tracking Posters



e-Templates & Tools



LEARN MORE ABOUT RAPID ACTION FOR LEAN SIX SIGMA

Are you interested in accelerating results and increasing engagement from your organization’s change management and continuous improvement initiatives? Take a look “inside the box” of the most reliable process available for rapid, team-based improvement.



Call 800.254.6805 or email to request@improvefaster.com to schedule a demo of the Rapid Action Toolkit.



For more information including Case Studies and White Papers please visit www.improvefaster.com.

Leap Technologies

Improve faster through better team engagement!

Since 1993, Leap Technologies has helped organizations across the globe elevate return on investment in Lean Six Sigma.

Organizations including HealthPartners, M&T Bank, Mosaic, Momentum Chemicals, Nashville Metropolitan Airport and Valspar among many others have integrated Leap Team Engagement Toolkits into their Lean Six Sigma deployments to productively engage more leaders and employees in “the improvement game” while simultaneously improving Belt skills and productivity.

For organizations looking for a faster, better and more affordable way to leverage the power of Lean Six Sigma, Leap Technologies is the resource of choice.