



Issue

Deliveries from the Central Receiving Dock to anywhere in the plant must be made in a quick and efficient manner. For this particular defence contracting industry, the average dock to stock time is 5.8 days with a range of 2 to 14 days. Management wanted the current dock-to-stock cycle time for source or certified supplier material reduced from its current 7.3 days to 1.5 days. In addition, receipt documentation errors had to be reduced to 5%

Breakthrough Strategy

- Measure** Historical Electronic and Manual records for a six month period were reviewed to breakdown the errors being experienced. A two level Pareto showed that all these errors started with the assignment of the Inspection code on the Purchase requisition. A detailed process flow map was then developed which involved nine different functional groups and a total of 33 process steps. A Cause and Effect Matrix was also constructed
- Analyze** For each step in the Process Flow map, and FMEA was conducted. Seven Failure Modes were identified, and four significant causal factors assigned.
- Improve** An improvement plan for individuals in the organisation covering communication, written procedures, software changes and vendors was put in place and completed.
- Control** A Control process was established to standardise error identification and tracking and monitor the process. The revisions were handed over to a newly established team charged with the introduction of a barcode tracking system
- Results** The average days were reduced to 2.3 days, a reduction of over 68%
- Savings** \$13,000 USD per annum in direct labour savings