



Eliminating Material Downtime



Client

The client is a leading global bearing manufacturer having 94 manufacturing plants in 24 countries worldwide. In addition, the Client is a market leader in wheel-end solutions and has a strong position in application-driven powertrain solutions, requiring specific performance in terms of friction, weight and sealing solutions.



Problem/ Challenge

The majority of its production lines were facing stoppages due to the non-availability of Raw Materials, leading to poor customer OTIF %. Though the store reported raw material inventory worth 2.5 months, yet the availability of the right material was a challenge



Result achieved

A 100% elimination of part shortage on the lines, a throughput improvement of 22%, with an overall 50% reduced inventory of raw material and 65% reduction in child part inventory



Background/ Business Case

The client, a Tier I supplier to automobile OEMs was facing significant delivery issues leading to a drop in their supplier rankings. A major impact was their reduced share of business with some of their key customers, which accounted for more than 70% of their business. The client wanted to arrest and reverse this state and decided to consult BMGI and work towards redefining its operating model. The customers extended a window of 90 days to improve the deliveries in order to retain the current business. The client and the BMGI team assured results to the customers in the said timeframe

Problem/ Challenge



A rapid and deep diagnosis of the value stream starting from the suppliers to the end customer exposed the following:

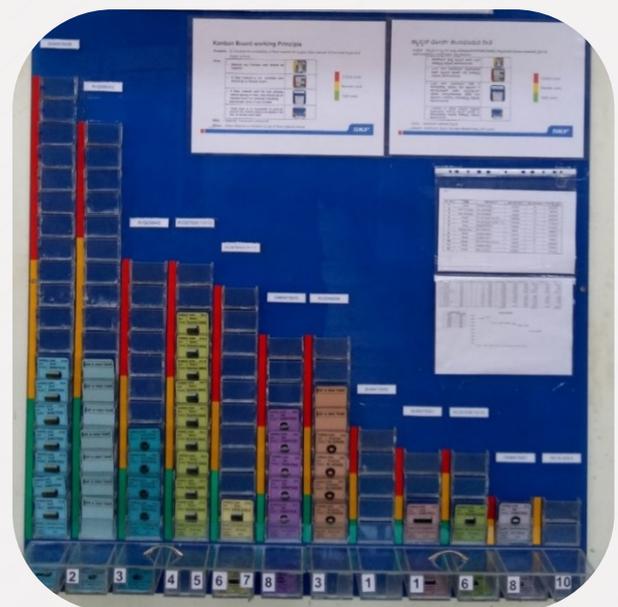
- Production losses to material non-availability of both Raw Material & Child Parts
- Even with 2.5 months worth of inventory in stores, the “right” material was short.
- Poor asset utilization due to multiple minor stoppages, especially in the bottlenecks.



Approach & solution

BMGI planned and designed a three-track improvement approach in order to deliver rapid results:

- a. An Inventory Management System
 - a. Set up a consumption-based replenishment system both for RM & Child parts.
- b. Increase asset uptime
 - a. Focus on minor stoppage elimination
- c. Reduce Physical and System stock difference
 - a. A 15-day system audit to rectify errors
 - b. Set up QR code-based inventory capture



Dedicated client teams working on the improvement tracks, were coached, hand-held and trained to convert principles to practice & implement the new system and work towards continuously improving for the next 30 days. The approach of simplifying the process before automating reduced the investments in improvements dramatically and ensured the elimination of non-value-added activities



Dynamic Delivery racks with Kanban also ensure FIFO



> 60% reduction in inventory



A team of 8 worked full-time to deliver results



The first results from 64th day

Results



Improvement in throughput led to increase in OTIF from 96% to 99%



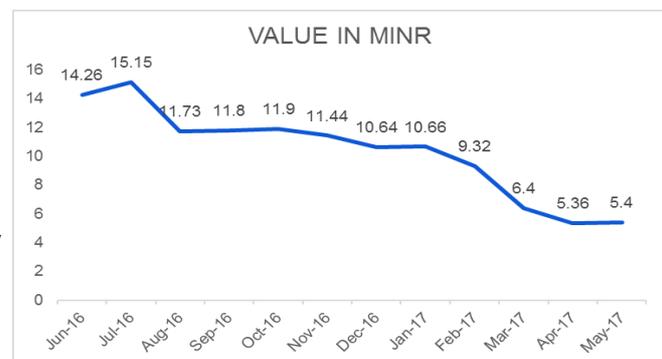
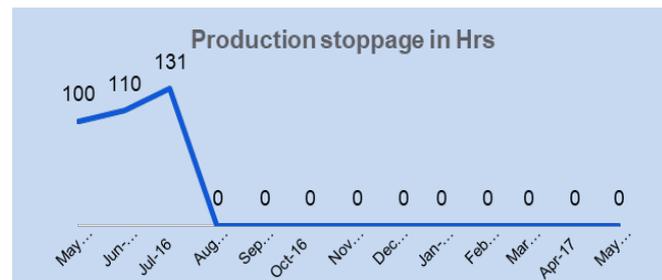
Reduction in Raw Material and Child Part inventory



Line stoppages due to material availability reduced from 16% to 0%



MTBF for critical equipment's increased by 200%

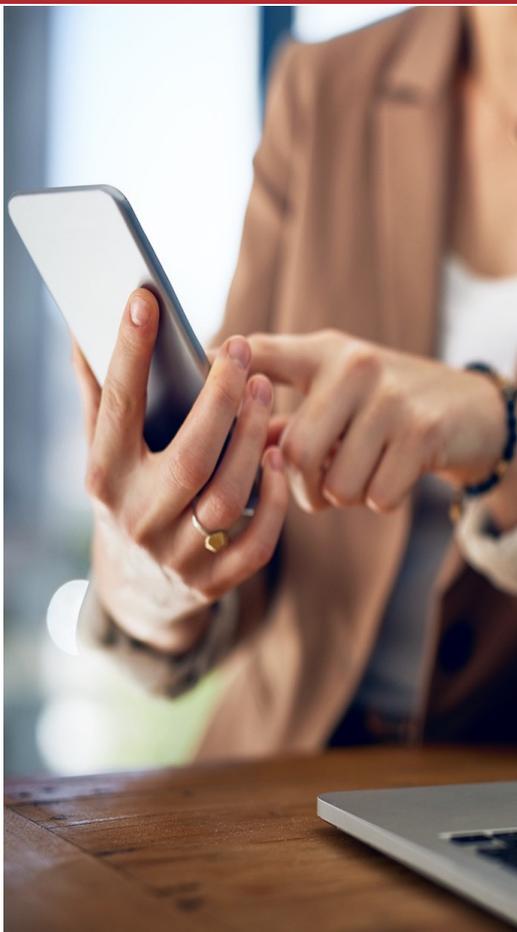


About BMGI

Breakthrough Management Group International (BMGI), a global consulting firm with a strong focus on **delivering results** and has **delivered cumulative benefits to its clients worth several billion dollars** with an **engagement ROI of 5:1 to 20:1**. BMGI specialises in enabling organisations drive profitable growth and innovate. Solutions include building innovation opportunities portfolio for driving growth, breaking optimization barriers to multiply profits and transform customer experience. We have developed several methodology & framework-based assets to enable client success.

BMGI's clients include leading Fortune 1000 Global companies and other Indian companies from diverse industries such as financial services, IT/ITES, airlines, chemicals, FMCG, discrete manufacturing, telecommunications, petrochemical, textiles, healthcare & energy. **Some our Auto clients are – John Deere, Daimler, SKF, Bajaj Auto, Hero Honda, Apollo Tyres, Advik Hi-Tech, Harsha Engineers**

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