

Managing to Learn — A3 Example #5: Acme Stamping from Understanding A3 Thinking

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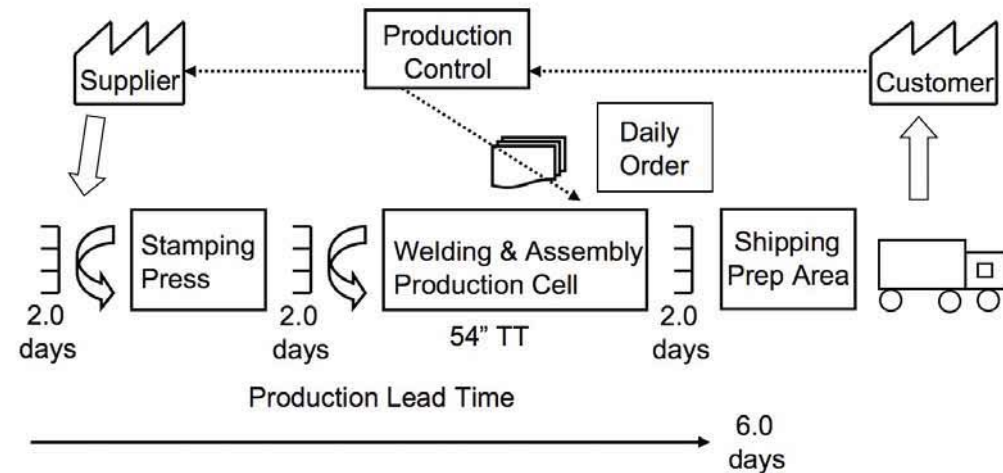
Acme Stamping Steering: Lead-time & Inventory Reduction Project Status Review

3/6/02

Background

- Stamping division goals require reductions in lead-time, and inventory of 25% this fiscal year.
- Bracket value stream was a push style of operations with long lead-time, excess inventory, over-production, and poor on-time delivery performance.
- A project was initiated to improve in these dimensions targeting full completion by June 2002.

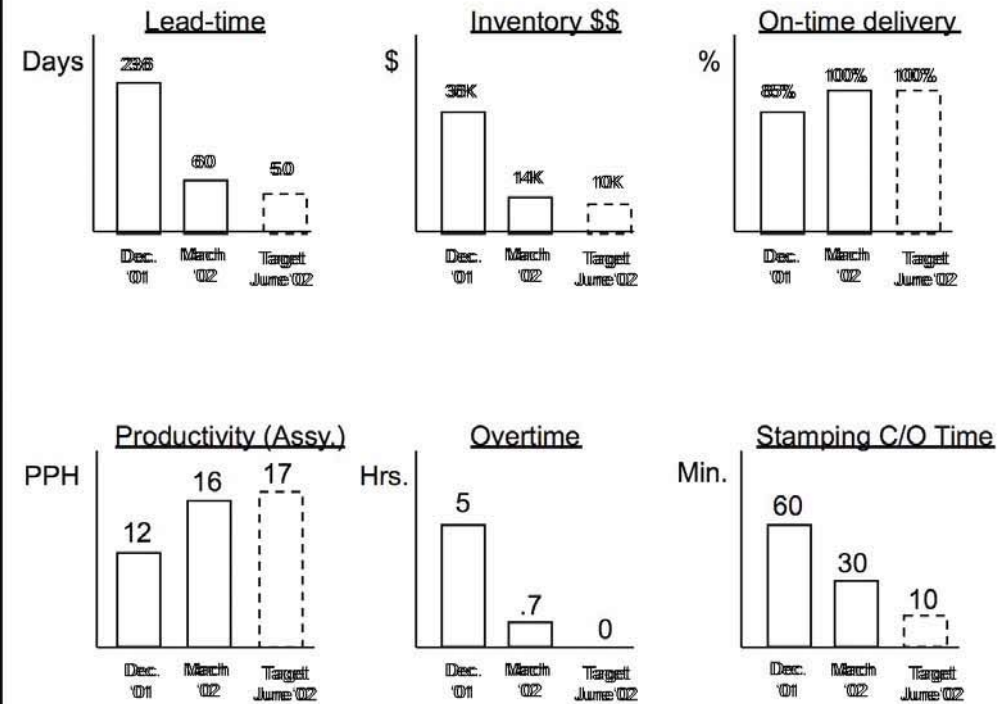
Current Condition – March 2002



Key Concepts Implemented:

- 1) Conversion to an improved flow of operations
- 2) Establishment of supermarkets for Raw, WIP, & FG inventory
- 3) Creation of replenishment style pull system with kanban signal
- 4) Creation of a pacemaker cell combining welding & assembly
- 5) Pacing of all work to takt time and hourly count boards
- 6) Creation of detailed standardized work for welding and assembly cell
- 7) Leveling of the production schedule in terms of type and quantity
- 8) Reduction of changeover time at stamping
- 9) Reduction of lot sizes in stamping

Results



Remaining Issues / Action Items

Category	Remaining Problem	Counter-measure	Responsibility & Due Date
Lead-time	.5 days over goal	Reduce stamping WIP	PC by 5/30
Inventory	\$4K over goal	Purchase parts market	PC by 5/30
Delivery	N/A	Maintain performance	Operations
Productivity	1 PPH under goal	Eliminate overtime	Ops. By 5/30
Overtime	.7 Hours over goal	Eliminate minor stops	Maint. By 5/30
C/O Time	20 min. over goal	Reduce internal work	Eng. By 5/30