

Case study

Project: VSM Consulting

Client: major industrial equipment manufacturer

Project objectives:

Validation of the material flow in the warehouse proposed by the client and formulation of recommendations for modifying this flow, using VSM.

Initial situation:

The client produces and repairs complex industrial equipment as well as its subassemblies. The production of the section is very diverse, most of the products being at the level of a single piece or small series. All types and sizes are produced, successively, on the same machines. This situation is a significant factor in disrupting the warehouse activities due to the large number of components required by the warehouse and additional activities of returning to the warehouse materials not consumed in Production.

Main activities:

1. Evaluation of Logistics activities
2. Creation of Value Stream Mapping (VSM) for the Raw Materials warehouse
3. Creation of Value Stream Mapping (VSM) for the Raw Materials warehouse – delivery of materials to Production
4. Implementation of measurable indicator Efficiency in the warehouse
5. Definition of solutions for the flow of materials in a new production area (another hall at a certain distance from the current warehouse)
6. Definition of Action Plan

Results:

1. The logistics flow assessment identified problems in all operated sectors: unloading, stocktaking, placement on locations, picking, milkrun, returns of materials from production.
2. Performed VSM for the raw materials warehouse – proposed solutions to improve reception activities – reduced reception time by 40-45%.

3. Performed VSM for the delivery of materials to Production – proposed solutions to improve reception activities – reduced reception time by 10-12%.

4. Measured all warehouse activities and performed standardization. Defined a tool for calculating efficiency at warehouse, shift and operator level. Defined the procedure for calculating Efficiency and implemented a performance indicator for the warehouse Efficiency. Defined a tool for calculating the forecasted load of warehouse activities based on the Sales Forecast.

5. Defined 3 solutions for supplying materials to the new production area

6. Defined action plans for proposed changes and improvements.