

# ***The Lean Impact Group***

***Transforming Businesses Every Day***



## **CASE STUDY 2**

### **The Company:**

- Sports & leisure commercial products, global sales presence, manufacturing Mexico-based,
- Top 3 market share
- Private Equity Owned
- high rate of new product development required
- Channels: Regional Distribution Centers

### **Situation Summary:**

Issues included underperformance in the following areas:

- Product delivery and lead time performance
- Inventory management leading to poor turns (raw and WIP, not enough finished goods to maintain sales)
- Labor productivity
- Product development time to market and meeting targeted costs

### **Thesis:**

10-month engagement focused on operations and product development centers of excellence.

- Lean Value Stream Improvements – Implemented 3 Value Streams
  - Final Assembly cells
  - Subassembly Cells (connected by kanban pull)
  - Component manufacturing (connected by kanban pull)
  - Expanded to the supply chain (connected by kanban pull)
- Inventory Management – Implemented SIOP process with electronic inventory management and kanban pull systems integrated with regional Finished Goods Warehouses.
- Lean Product Development system implementation.

***The Lean Impact Group***

***Transforming Businesses Every Day***

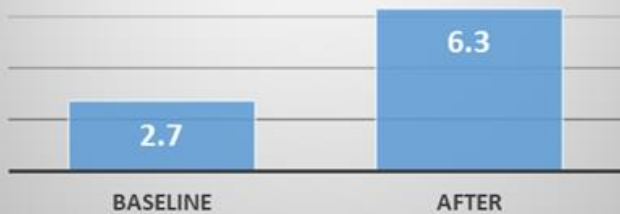
**Results:**

**EBITDA Improvement 5% of Net Sales  
Additional 5% in following 12 months**

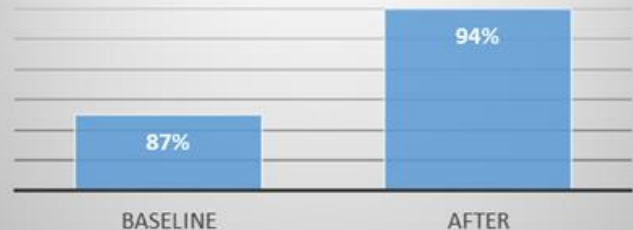
**Production**

**Product Development**

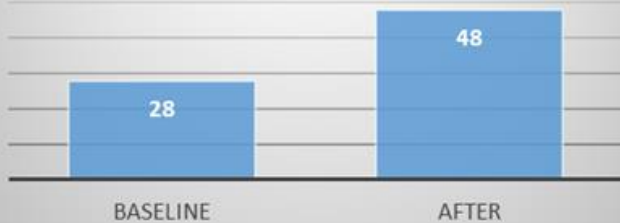
**Total Inventory Turns**



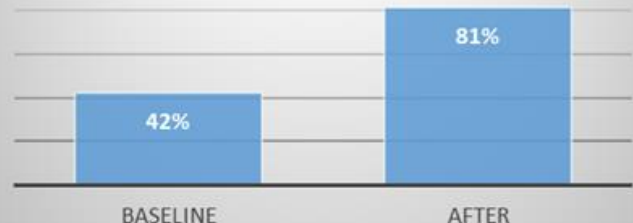
**% On Time Launch**



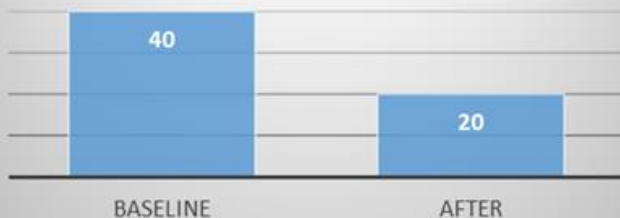
**Days Payable Outstanding**



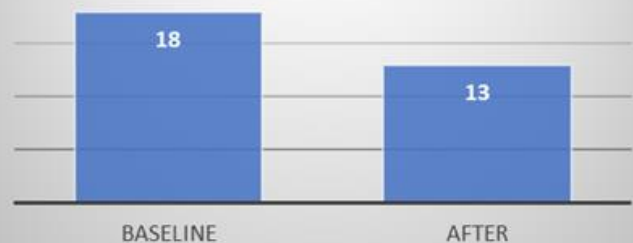
**% Projects On Cost At Launch**



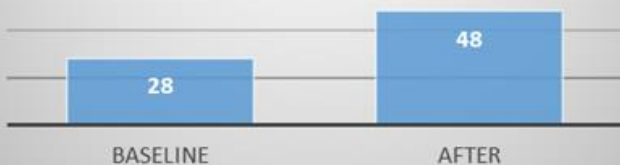
**Supplier Lead Time**



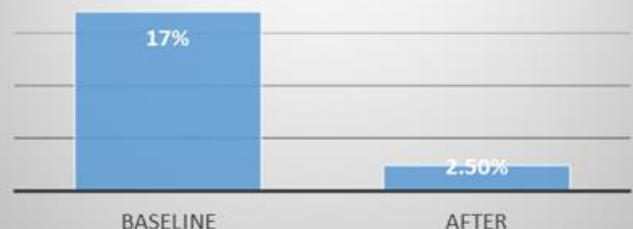
**Time To Market - Months**



**Total Production Space - sqft**



**% Total Cost Overrun/Project**



**Reduced Total Production Space by 20,000 sq. ft. resulting in exiting a leased facility**