

### FMCG Mobile Phone Manufacture.

Focus: Reduce Non-Value Waste - Improve Process - Improve Production.  
Benefits: Controlled Manning and Costs - Improved Productivity - Increased Business.



#### Area of Improvement

Previous Production	12,000 per day
Future State Production	22,000 per day



Labour Cost Savings circa	£1.2M
Improvement from Sales ( potential )	£3.4M

#### The Company

The company manufacturing FMCG in the mobile phone market required a dramatic increase in production. Using SMT technology to populate PCBs, 700 - 1000 personnel were employed working 3 shifts 24/7. Management felt that 'Lean Application' could improve the process and production output.

#### Opportunity for Change

- Present production 12,000 units per 24hrs. Required 22,000.
- Bottlenecks and poor throughput restricted business growth.
- Over manning and poor layout strangled productivity.

#### Process of Change

- Stage 1 Investigate present method of assembly
- Stage 2 Design and re-engineer an improved layout
- Stage 3 Implement new balanced one piece flow lines
- Stage 4 Implement procedures and manning controls

#### Project Actions

- Analyse present operator activities
- Analyse present manufacturing process
- Training Seminars - LEAN and 5S principles
- Design and simulate new layout for 10 flow lines
- Design bench layout for minimum-reach operation
- Implement Kanban and Parts Supermarkets
- Apply Cycle Time Study and Line Balancing
- Implement Production Planning tools
- Value Stream Map the process

#### Financial Benefits From:

- Re-engineered process layout
- Re-aligned manning levels
- Increased production
- Increased productivity
- Increased sales



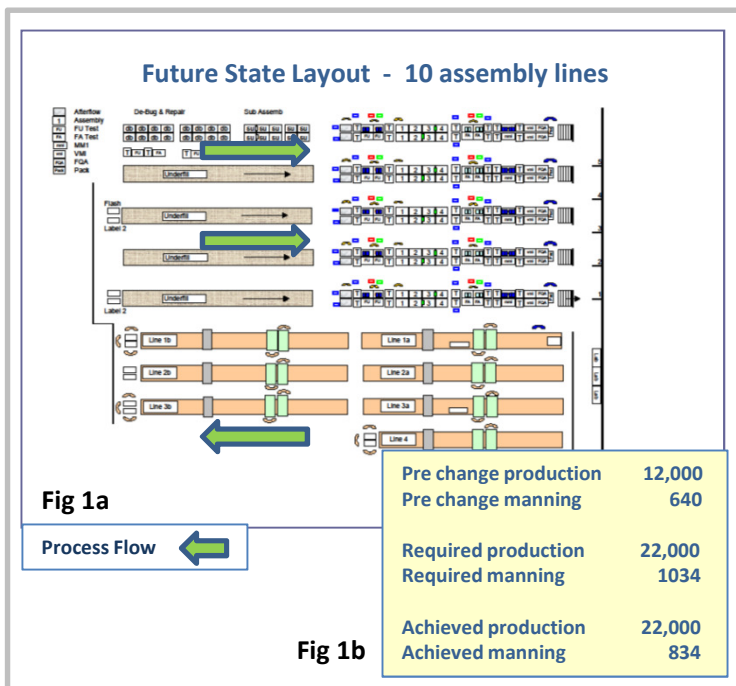
The cost reduction and the release of cash would also give opportunities for re-investment of equipment.

The increase in productivity and production would secure jobs for the future.

#### Atherton Management Services Ltd

Have been helping people in business improve their business for over 30 years.  
We specialise in bespoke factory floor layout design and process improvement.

# Lean Implementation



## PROCESS OF CHANGE ( Post Change )

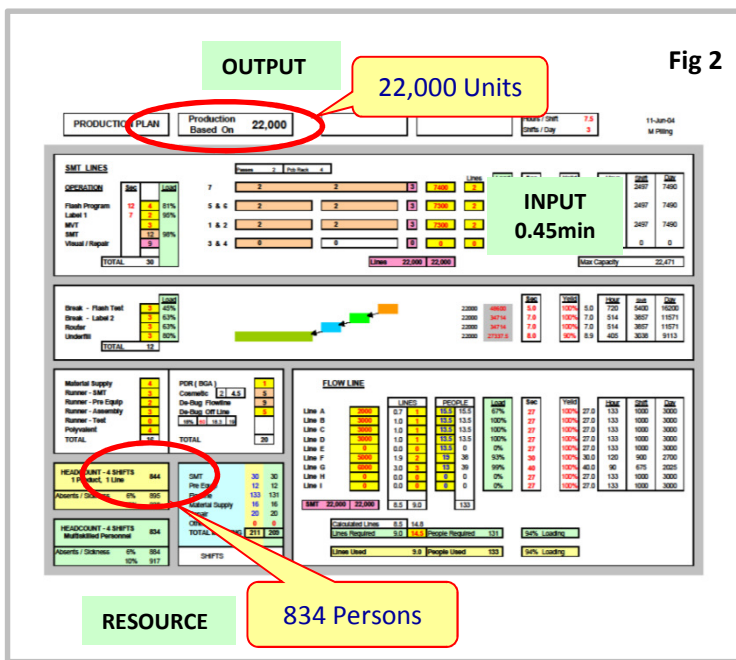
**Fig 1a.** Factory floor layout 32,000 sq ft

**Fig 1b.** Pre change numbers / Achieved numbers

Process improvement will reduce or eliminate non-value operation to create a future state layout as in **Fig 1a**.

## FINANCIAL BENEFITS

1. Balanced Flow-lines
2. Controlled Material Feed
3. Controlled Production Output
4. Improved Floor Space Utilization
5. Controlled Manning
6. Improved Profits



## CAPACITY PLANNING

**Fig 2.** Cycle Time **INPUT** is the base line for accurate production planning and scheduling in order to maximise production **OUTPUT**.

Standard Operation Procedures and B.O.Ms will further enhance the process improvement to give process controls:

- Benchmarking
- WIP Controlled
- TAKT Time Controlled
- Manning **RESOURCE** Controlled

## FINANCIAL IMPROVEMENT

From re-organisation £383,000 Per Month

**Atherton Management Services Ltd can help with :-**  
 Bespoke Factory Floor Layout Design - Process Improvement  
 Warehouse Layouts - Inventory & Line Feed Organisation  
 Cycle Time Measurement - Product Costing - Budgeting  
 Operations Organisation - Written Procedures...

**We can help:** Reduce Costs - Improve Cash Flow ...  
 Improve Productivity - Improve Profits...

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