



Flex to Demand for True Variable Costs.

IET's client needed the ability to adjust their costs on a weekly basis due to varied customer demands, a challenge of their industry. IET provided a direct and indirect labor plan that would allow a 35% flex up and down from average weekly demand, while ensuring that the skilled labor pool was motivated to support these adjustments.

The Customer

Sunrise Windows, an award-winning designer and manufacturer of custom vinyl replacement windows for residential markets.

The Challenge

Competitive pressures meant that Sunrise Windows had to achieve mass production efficiencies with 100% made-to-order custom products. Labor was a significant component of total cost. They faced seasonal demand that more than doubled from low-demand to high-demand months. Working Saturday and Sunday was routine in the high-demand months, and it took its toll on the workforce. When people left and when they were let go as volumes dropped, the skills they had learned left with them. The Human Resources department stayed busy screening, hiring and training new workers. Sunrise needed a way to keep a work force with the skills and knowledge to make high-quality windows while managing their labor costs in up and down times.

The Solutions

IET first streamlined the production processes to increase overall labor productivity and reduce production throughput time to one-day. These changes also enhanced workplace organization and the shop floor's appearance, which played a role in improving morale. The next step involved creating a staffing plan that

- 1) ensured key skills were available at all times and
- 2) enabled Sunrise to grow or shrink the hours worked as volumes went up or down.

Using a core operator group who possessed the necessary knowledge and skills as a starting point, Sunrise and IET developed a flexible work schedule based on two 10-hour shifts, Monday through Thursday. By working Friday, the company could accommodate a 25% increase without adding people. Volume increases beyond this level would be staffed with temporary workers who perform non-critical production and support operations. Routine weekend shifts that contributed significantly to operator "burn-out" were eliminated. Weekly labor requirements were calculated based on product mix and volume and summarized in a Manning Chart that indicated the required number of operators and hours per week. Workforce planning was simplified. Labor costs were brought under greater control. Operator morale improved. Everybody won!

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How can IET help you?

Any way you need us to.

Productivity

Current production standards

Current production performance

Detailed reasons for variances

Detailed plan for improvement

Goal-setting, accountability

Capacity planning

Key capital resources

Direct and indirect labor

Salaried personnel

Facilities

New manufacturing

Detailed process map

Layout

Facilities

Labor

Support

Indirect labor design

Standards

Material handling

Supervision

Maintenance

Plan for improvement

Total value analysis

Make vs. buy

Site selection

Consolidation

Vertical integration

Horizontal integration