



Simplification, the Total Production Strategy

IET provided leadership and team support addressing a total production improvement philosophy centered on simplification of product mix, production planning and scheduling, and process measurement and control.

The Customer

A world-supplier of vehicle tires with facilities in North America, Europe and Asia facing the challenges of global competitiveness.

The Challenge

To develop a production and inventory strategy that reduced the total costs of all products (80 million dollars annually), and ensure a significant improvement in customer on-time delivery performance (drive to 99.8%).

The Solutions

IET worked with the entire production team and crossed functional lines to include sales and marketing, new product development, finance, and material control to understand the bottom-line impact of various change initiatives. IET worked with the top management to develop a strategy of simplification to significantly reduce annual operating costs while ensuring no significant increase in working capital and improved on-time delivery. This strategy ensured sales and marketing support as product mix was reduced by 30%, individual item working capital for finished goods inventory was adjusted with a net result of no increase, and production run-sizes were adjusted based on levels of demand. The OEE improvement rose by 30% and the original objectives of this strategy were exceeded in the following two years.

“IET brought an outside perspective supported by objective measurement that ensured our strategic planning team jointly supported and implemented significant philosophical changes.”

Vice President of Operations

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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

Support

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