

Case Study

Reducing document delivery delays

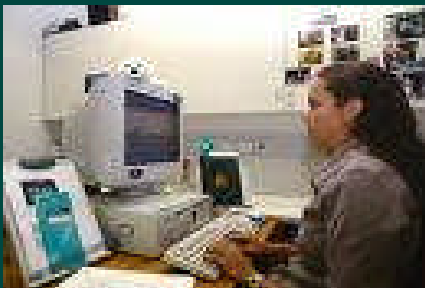


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Project background

A central engineering group in a major automobile manufacturer was responsible for preparing studies for approval of investments in new vehicle models including base data for variable cost.

The process and die section produced process sheet packages. Other responsibilities included establishment of press loading, direct labour and procurement of stamping production equipment.



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Problem

The central engineering department currently issued over 300,000 documents related to new investment studies each year. Multiple copies of the documents went sent to numerous departments.

A Six Sigma team was set up. They discovered that over 500,000 hard copy documents were stored in 5 locations for reference. Of the 300,000 issued documents over 11% had to be re-distributed due to loss or misrouting.

Furthermore the distribution of documents took on average 7 days.

Six people were involved in copying, distribution and archiving. In the tool shop several further copies were made. Hard copy legibility issues led to technical errors, delay and rework. In summary the flow of paperwork was very inefficient, leading to significant delays and cost.

Solutions

The Black Belt and his team determined statistically which routings were least effective, why and where the lost documents occurred most often. They confirmed the average distribution cycle times and reasons for variation.

Their conclusions led to management support for a complete process re-design solution.

Documents were modified to electronic versions. An electronic document distribution system was created, to provide electronic data flow. An e-mail notification system for document availability was set up.

The process was also changed to a subscription-based (pull) rather than distribution-based (push) system.

Business benefits

The number of documents issued was reduced from 300,000 to 80,000 p.a., with no reduction in relevance or completeness of required information. Documents were archived electronically, eliminating storage cost. The proportion of redistributed documents was reduced from 11% to 1%. Document distribution times were reduced from 7 days to less than 2 days. The cost of document processing was reduced by €140,000 p.a. and costs of programme delay were also reduced.