Homer Donaldson

Update 9/10/2018

Safety

- Cleared paths to fire extinguishers
- Removed Foot Pedal on air table
- Enforcing safety guard and gate usage
- Eliminating leaks to prevent slip-and-falls

Safety Exhibits

- Homer Donaldson

Cleared Path

Extinguisher was hidden

Safety Enforcement

Safety Guards repaired

Maintenance

- Re-instituted Work Order system
  - Monitor unplanned downtime
  - Maximize Awareness of maintenance resources
- Staggered Shift
  - Accomplished 24 hour coverage
  - Maximizes resource capacity with minimal overtime investment considering the small group
- Weekly planned Preventative Maintenance
  - Decrease unplanned downtime
  - Increase equipment productivity
  - Reduce safety concerns
  - Reduce costs associated with leaks and inefficiencies

Maintenance Exhibit

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Oil Leaks

Replaced all hoses

Increased Effective Capacity

- Daily Overtime
  - Have reduced and in some cases eliminated equipment downtime on 2nd shift by working 10-12 hour shifts
- Weekend Overtime
  - Two mandatory Saturdays
  - One Volunteer Saturday
- Re-balanced some classifications
  - Balanced key positions talent bases
  - Provided 24 hour coverage in key classsifications
- Achieved approximately a **23% increase** in sales by the end of SIS's 2nd full week at Homer Donaldson by being able to ship more orders in full
- Produced approximately **70,000** pieces above and beyond weekly releases in the 2nd week.

Scheduling

- Inventory of WIP
  - Turning WIP into finished goods by dedicating weld cells when possible
  - Matching inventory of A parts to B parts and vice versa
- Monitoring and enforcing a policy of no over-runs to eliminate material waste and unwanted WIP
- Monitoring Obsolete Parts
  - Increases foresight of newly available equipment time, raw material and other resources
- Customer communication on short runs to focus on longer more efficient runs
  - Have postponed or declined many short-run service orders
  - Have negotiated larger buys on small run service orders
  - Focus is on daily production requirements
- Working towards one central voice in scheduling
- Schedule is not deviated without permission from Scott or me
  - Eliminates game playing by some CNC operators who like to avoid more difficult set-ups and change-overs

Scheduling Exhibit

- Homer Donaldson

WIP reduction

Quality

- Eliminated nearly all 100% quality checks
- Training, communication, and strict enforcement of 15 minute quality checks
  - Increased production efficiency by as much as 25% by eliminating non-value added functions
  - Finished Goods are segregated in 15 minute intervals to decrease possible quality spills
- Instituted Layered Audits to include supervisory and managerial staff

Scrap

- Eliminating set-up scrap by reducing short run change-overs
- Able to rework some obsolete parts into current parts to be sold
- Capitalized on material shortages to get customer approved variances which allowed us to turn some scrap material into finished goods for sale

Morale

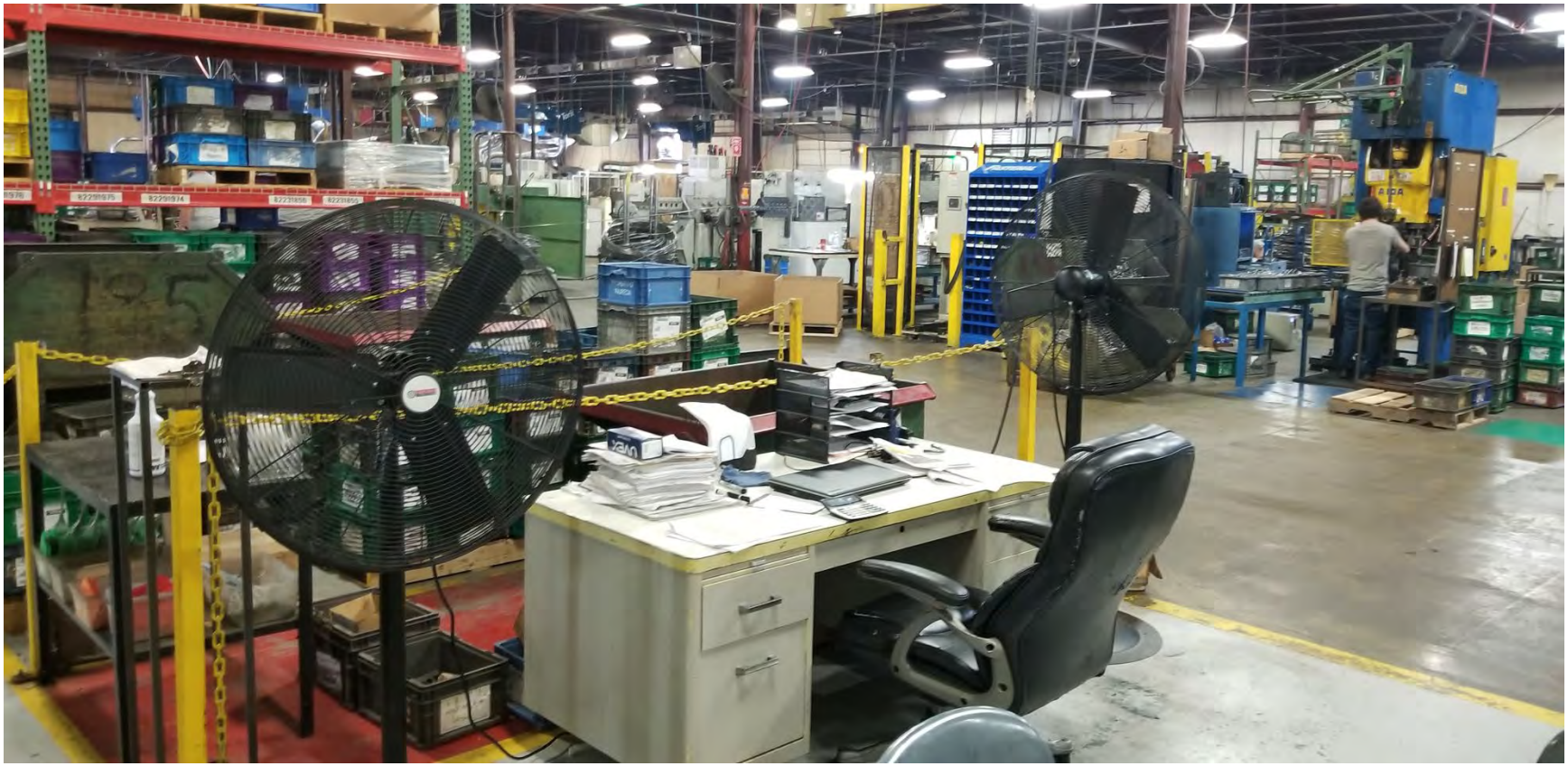
- Conducting “All-Hands” meetings to keep employees involved and informed
- Advance knowledge of overtime requirements
- Providing lunches on a weekly basis
- Vastly improved organization and housekeeping
- Moved break allotments to allow for a 25 minute lunch instead of 15 minutes
- Added fans to the break area
- Rotating one CNC Saturday shift per week to be scheduled off

Morale

- Homer Donaldson

Cleaning House

A cool breeze



Company provided lunches Every Friday

Accountability

- Signed Training documents
  - Quality Checks
  - Production card fulfillment
  - Work Order Process
  - Label Pre-Scanning
  - Over-running scheduled production
- Better labeling at weld cells to reduce mis-scans
- Daily reporting of all production on new Production Board
- One-on-one counselling provided by Scott and/or myself
- Goals are clearly communicated and shortcomings are addressed daily

Accountability Exhibit

- Homer Donaldson

Production Monitoring

Miscellaneous

- Day-to day management of the facility
  - Scheduling decisions
  - Manpower decisions
  - Resource management
  - Development of current staff
  - Communication with staff and other leadership
- Customer communication and support
  - Faurecia
  - Tenneco
  - Elsa
  - Yorozu
  - Katcon
- Notified King Steel that we were not interested in buying wire that needs to be drawn to size where possible (Not likely with Stainless)

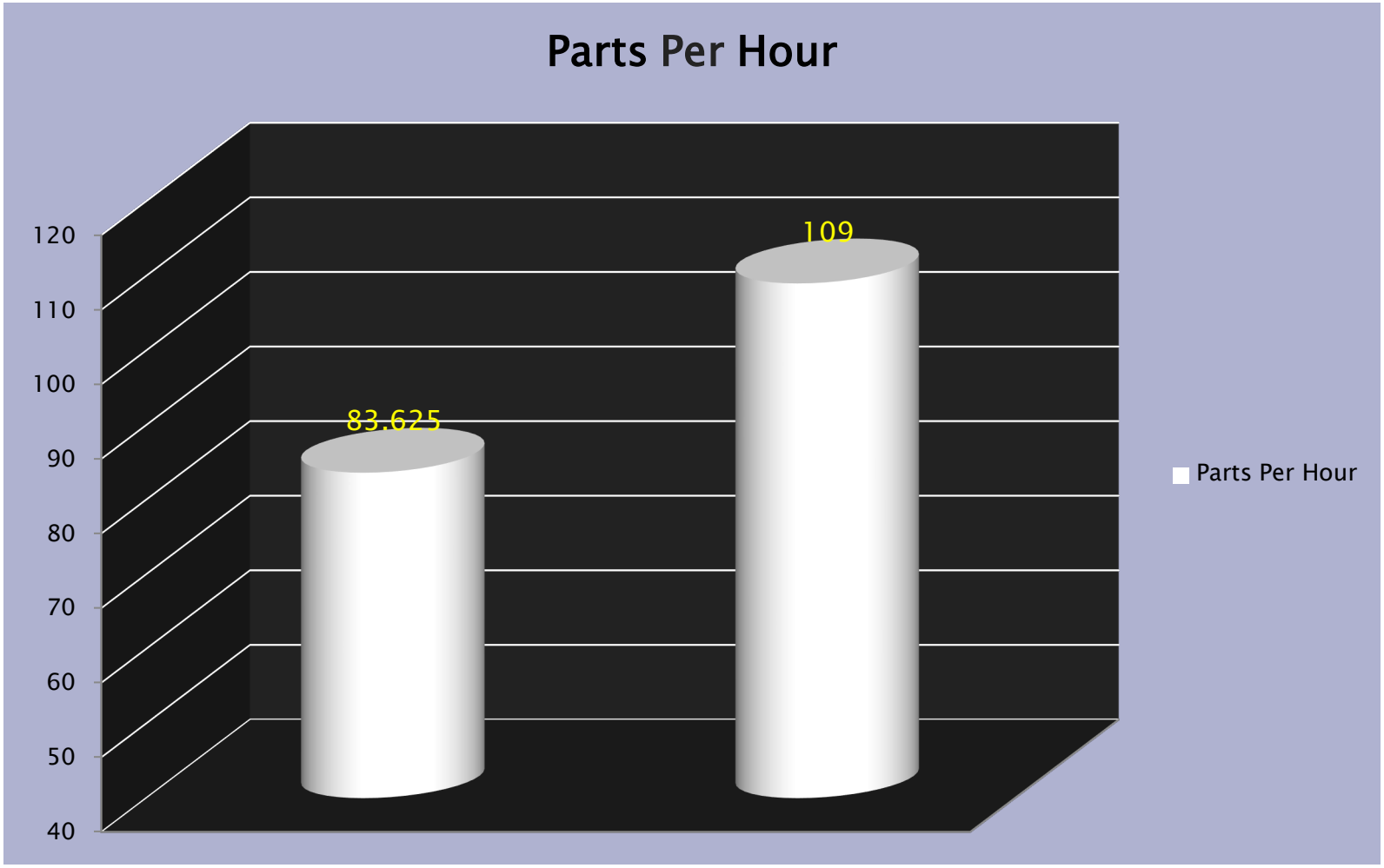
Homer Donaldson

The Results

- Improved Efficiency
- Increased Revenue
- Reduced Scrap
- Reduced unplanned downtime
- High Morale
- Successful scheduling and execution of final build-out

Efficiency

- Experienced a 30% increase in efficiency at the end-process stage
- Maintained 7 day production levels (209,000 pieces/week) on CNC while scaling back to a 6 day work week

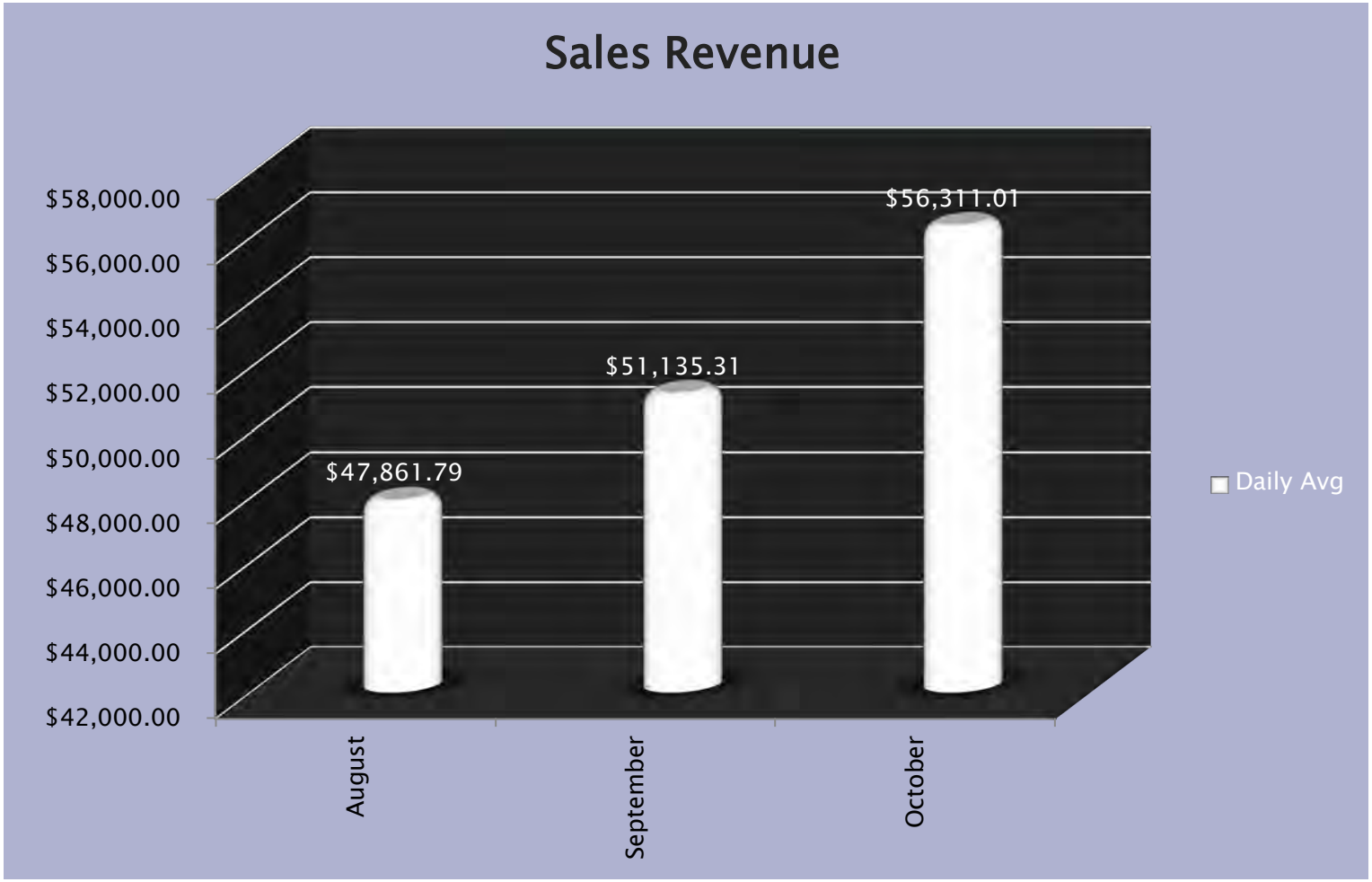

Parts Per Hour
120
110
100
90
80
70
60
50
40
83.625
109
Parts Per Hour

Sales Revenue

- Increased daily average from $47,862 in August to $56,311 in October through efficiency increases and scheduling
- A 17.6% increase
- Annual revenue improvement of $2,205,246

Scrap

- Production Scrap drastically reduced
  - Reduced set-up scrap with longer scheduled runs
  - Improved quality audits reduced exposure to defects
- Unable to provide numerical data because Scrap has never been tracked accurately or consistently, but the reduction in volume was very visible at the QA hold area every day.


Sales Revenue
$58,000.00
$56,000.00
$54,000.00
$52,000.00
$50,000.00
$48,000.00
$46,000.00
$44,000.00
$42,000.00
$47,861.79
$51,135.31
$56,311.01
August
September
October
Daily Avg

Downtime

- Scheduled downtime for maintenance drastically minimized unplanned downtime
- Improved capacity allowed for shorter work weeks with maximum output (the 6-day schedule)
- Reduced downtime allowed CNC work to finish 3 days ahead of schedule – allowing for additional production (More than 143,000 pieces for Faurecia alone)

Morale

- 100% of Retention Agreements returned
- Only 4 terminations during the final 11 weeks
  - 2 terminations
  - 2 voluntarily left

Final Build-Out

- Successfully brokered final builds for remaining customers
- Executed production of all committed volumes where material permitted
- Increased efficiencies provided opportunities to build above original commitments in many instances
  - Last minute Service requests from various customers
  - Produced 143,116 pieces above and beyond final releases for Faurecia
- Experienced minimal WIP scrap as a result of well orchestrated scheduling
- Able to keep the majority of the workforce working on production related jobs right up until the final hours