

REDUCING VARIATION IN ENGINEERED STANDARDS

See how CONTINUUM helped a Multinational Robotics, Automation and Electrical Equipment Corporation reduce variation in the putaway operation through multivariable standards



Project Data

Clients: Fortune 500 Global Corporation specializing in Robotics, Power, Electrical Equipment & Automation Technology

Location: Northern Mississippi, USA

Timeframe: One Months

Key Project Factors: People, process and system challenges had developed throughout the facility due to lack of KPI and departmental expectations; impacting labor performance and utilization throughout the distribution operations. Without studying the activities at the elemental level, constructing multi-variable engineered standards and identifying continuous improvement opportunities, the client would have been unable to address the inefficient process and facility layout challenges negatively impacting their throughput and performance.

The Challenge

The client had historically utilized single-variable, UPH standards in the put-away operation to gauge individual and department efficiency. These historical standards saw high degrees of daily and weekly variation that made accountability for individual and department performance difficult to measure and enforce primarily due to the difference in work mix and variation in tasks given the same productivity credit. This challenge not only made it difficult to drive improved performance but to a decline in efficiency and throughput through the operation given the lack of standardization, flexibility of metrics and accountability to meet performance goals.

The Approach

*Existing single-variable metrics were set to be replaced with **multivariable** engineered labor standards; creating highly accurate performance reporting with minimal daily variation at the individual level. Work mix, putaway zones, rack levels and product type were all identified as driving standard variability and incorporated individually into the design of the future standard, resulting in over 90 elements and 60 units of measure that could be systemically measured and help to minimize the impact work-order mix had on the operation.*

The Results

Separating a single variable standard into multiple variables based on various elements of the process decreased variation by 31%. This created a tighter standard leading to less swings in performance and more accurate accountability creating a sustainable performance culture. The client could successfully measure performance with a high degree of accuracy allowing for incentive rewards for high performing Associates and the identification and coaching of low performing Associates through the program. Once stabilized, CONTINUUM was able to analyze the process and identify improvement opportunities.