

Skin care company smooths its manufacturing process.

Client:

A global manufacturer of prescription and over-the-counter skin-care products.

Challenge:

The client was in growth mode, they were expecting significant volume increases from planned new product launches. Given the length of their overall cycle time and the multiple interdependencies between manufacturing and testing laboratories, the company needed a smooth functioning internal supply chain to drive its success.

Process:

Our team began the project in the scheduling and production planning process in the manufacturing area. We helped the client to develop and implement several new tools including; a master production schedule, a daily/weekly build schedule, and a reporting mechanism to track schedule attainment on a daily and weekly basis to ensure improved customer service.

In the pharmacy area, a closed-loop operating system was installed to support planning, execution, follow-up and reporting needs. We aided the client to develop controls to ensure cost effective use of batch size and to achieve shelf life goals set by sales and marketing.

Managerial and supervisory accountability was also increased in all areas of the production facility by implementing follow-up and reporting methods to ensure that operational opportunities were addressed and corrected. Lastly, a warehouse system was implemented to allow for the timely removal of obsolete and expired goods to free-up warehouse space.

Our team also helped the client to develop and implement input/output volume controls in the quality control, analytical, and microbiology laboratories to monitor and record volumes of work going into and coming out of the laboratories, and a work order management system to allow for visual management of work orders through each of the labs. By using estimated process times to complete laboratory tests in conjunction with weekly capacity models to estimate laboratory volumes and backlogs, the clients was now able to ensure that the correct number of resources was being used to achieve the desired productivity levels.

Performance Results:

- 26% improvement in Manufacturing schedule attainment.
- 27% increase in throughput.
- 10% reduction in raw materials inventory.
- 81% increase in Inventory turns.
- 50% reduction in avg. cycle time in the QC lab.
- 36% reduction in avg. cycle time in the Analytical lab.
- 14% reduction in avg. cycle time in the Microbiology lab.

Conclusion:

Key performance indicators were developed to monitor progress for each of the three labs, which was reviewed at weekly management meetings. Also, a closed loop operating system was implemented along with methods for identifying and resolving issues that affect lab productivity.

When asked what impact the project had on his business, the company's chairman and CEO said, "The project results were so significant that we were able to secure additional business in an environment where a few months earlier we had thought we were at maximum capacity. The changes we made together were dramatic and have proven to be sustainable."