

Manufacturing

Process Cost Reduction

(In addition to actual Plant Design)



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INNOVATIVE PRODUCT & PROCESS DESIGN

Consulting Engineers

Creating Innovative PRODUCTS & PROCESSES

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**Things we
can do to
help you**

○ Plant & Storage Layout

Layout of existing plant in a format that ALL players can easily understand !
Location of people, and optimum equipment layout on floorplan to suit.

○ Material Flow

Identification of the flow of Raw Material, Product in process and Storage,
handling of incoming Raw Material and outgoing Finished goods.
Optimisation to achieve best flow path.

○ Improvements to Plant and Storage Layout

Rearrangement of the system to achieve minimum handling of Raw Materials and finished goods. Optimum storage arrangement considering storage height as well as floorspace. Consideration of ease of identification of components as they pass into the factory, through each section, and out of the warehouse to effectively track inventory with minimum effort.

○ Activity Based Costing

This is the key 'yardstick' to measure just where your money is going. The basis for making smart decisions on how to increase profitability. In costing the activities with this system you can make 'what-if' decisions on alternative equipment, plant capacity and other ways of operating. This is the most important tool you can have in your 'kitbag'.

○ Optimum use of Labour

Look carefully at where the people are located in relation to the equipment layout and material flow. Redesign layout to 'bring the process to the people'. What equipment (standard or purpose built) can be employed to remove labour intensive functions. Use Activity Based Costing to allow 'what-if' decision making.

○ Raw Materials Handling

You want minimum handling. What does the activity cost you ? Are you bringing them in the right form e.g. bulk as opposed to drums, bulk bags as opposed to bags. Does your system easily pick up the inventory level for 'Just-in-Time' style of control and precise control of waste.

○ Forecasting Demand

So many companies (small & large) have poor forecasting ability, which is inexcusable considering how many simple forecasting packages are available. Forecasting allows you to look at how to make the most of your processing assets and minimise inventory. For those with seasonal sales this becomes absolutely crucial.

○ Capacity Planning

A reasonably accurate forecast is the basis for this. The use of Activity Based Costing will allow you to put a value on spare capacity and prompt some insightful marketing decisions on selling prices and export pricing.

○ Inventory Control

Inventory costs. Good concise reporting is the key guide to keeping this problem in focus. If the information is not readily available most people will be happy to ignore it. You want to know what you've got and what the rate of stock turns is for each product and raw material.



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○ Waste Elimination

I'm always amazed how people will battle tooth-&-nail to get a 10% return and yet let a possible additional 1/4 to 1/3 or more of this be wasted in terms of product yields and raw material waste etc. without anybody really working up a sweat. There usually are solutions.

○ Product Range Rationalisation

This is something that has to be continually worked on. People put products on the range they rarely want to take them off. Eventually they drown you. Emotional attachment tends to hold them there. Most get it - few face it. As 'outsiders' we don't have that emotional attachment.

○ Product - Off spec., Reject

Everyone gets it - few act properly on it. Isolating the reasons and making improvements to the system is vital. A value should be placed upon this every month to focus attention on obtaining solutions. There are always solutions !

○ Product - Re-design to suit process

Proper product design always entails getting the right 'marriage' of the product and the process. Compromises are usually always required if you are going to optimise the cost and quality. A vital issue !!

○ Process Control & Automation

We live in the age of process control - get on with it ! There are limitless options for automation - effective costing is the guide to where the changes need to be made, together with a close look at the quality of the output.

○ Computer Controlled Process's

The secret here is to use systems that allow data to flow in and out of the plant in a standard form (e.g. ODBC) which is compatible with other software, so that you can link up your inventory, scheduling, costing & company reporting.

○ Effective Company Reporting Systems

People don't read reports - let alone lengthy ones. Layout and simplicity are critical. There is tremendous value in good reporting of company operations. We spend a lot time on this - it can be the basis of most quick & effective company decision making.

○ Information Management

- from Plant to Boardroom

The computer age makes this possible, but few have instituted it. The key is have the right software, which can input and export data easily. This is the FUTURE.

○ Proper - Quality Control

Is your company yet another with a 'pretend' quality control system ? Do you realise that effective quality control can increase profits ?

○ Forward Planning

Do you have a forward plan ? Can you summarise it on one page - do your staff have any 'ownership' of the plan ? This is what we aim for !