From complexity to creating value

Continuous Improvement immersion + the right tools proves profitable for Dynisco

Dynisco, a Roper Industries company, was on a mission to enhance performance. This leading materials testing and extrusion-control instrumentation manufacturer was ready to embark on a Continuous Improvement journey that would not only address operations in its Franklin, Massachusetts facility, but across subsidiaries Viatran, Alpha Technologies, DJ Instruments and DVI. The program would include related regional and international facilities.

How we transformed their business:

Dynisco's Lean efforts have led to dramatic improvements in performance and the bottom line.

Over 12 months of implementation, right sizing alone has saved more than $985K in cost savings in inventory.

Challenges:

- Achieve greater control over operating profit and cash flow
- Enhance efficiency and productivity with existing resources
- Improve transparency across the network of six plants
- Reduce the cost of carrying inventory
- Drive cost out of new designs

Solution: Create the right environment

In collaboration with consultancy and long time partner, Macresco Edge, Dynisco devised a holistic Continuous Improvement (CI) program that over the course of four years assessed every performance lever in each facility's production process. This effort took into account product mix and volume, management practices and the implications of employee engagement. This analysis led to the creation of pilot cells that would become the model for future production company wide.

Solution: Look at the right data

Applying design for manufacturing and assembly (DFMA) best practices, Dynisco was able to simplify new product designs, better understand related cost drivers and standardize while maintaining flexibility. This in turn supported more strategic supplier management.

But upon addressing lead times, process and quality issues, however, inventory management surfaced as a bottleneck. Enhanced productivity was driving greater velocity of pull, taxing the supply base and destabilizing the organization's postponement strategy. Though implementing manual Kanban and working with key suppliers eased material flow, improved client response times and doubled revenue output at impacted cells, this approach was still prone to disruption - and Dynisco was looking to reduce replenishment inventory by 30%.

The implications of this approach on factory performance is impressive:

Site 1
•Inventory reduced 51%
•Nearly 94% of materials on eKanban
•Inventory turns have improved from 9.6 to 17.8 (91%)
•Inventory reduction cost savings: 50%

Site 2
•Lead times were reduced from 12 weeks to 2 - increasing revenue by millions of dollars
•55% reduction in inventory carrying costs

Site 3
•Supply chain consolidation and 43% reduction in inventory costs

Site 4
•29% reduction in inventory costs

Solution: The right products at the right time

The Synchrono eKanban platform proved an ideal fit for the complexity and variability of the Dynisco portfolio. Using Synchrono SyncKanban software, Dynisco scaled the kanban process to include nearly 800 SKUs for products built across facilities and geographies. Upgrading to SyncKanban streamlined the manual kanban process from 66 to 6 steps that reported accurate inventory and supplier data in real time.

Launched as a test in one facility before implementing across the enterprise, SyncKanban provided forecasting insight crucial to improving cost management and easily integrated into the company's existing ERP system. The tool also provided the data required to support greater strategic oversight of supplier relationships.

Results

Dynisco's Lean efforts have led to dramatic improvements in performance and the bottom line. Over 12 months of implementation, right sizing inventory alone has saved more than $985K in cost savings in inventory.

Success is attributed to four main factors:

- Commitment and investment to CI from the C-suite to the plant floor
- An upstream perspective on production costs
- Dramatically resizing inventory by 40% (10% over the original goal)
- More strategic supply chain management