



Strathfield Managed Service

Order Process

The Challenge

The Rail Equipment Centre (REC) had been governed by a long and static lead time for the delivery of its products for many years. The performance of this lead time contributes to the Stores & Logistics D.I.F.O.T. "Delivery In Full On Time". This needed to become much shorter to suit the demand of Infrastructure Maintenance Depots across NSW.

The objective of this project was to reduce lead time of product from a customer order being received at the REC to the material being available for collection by the customer.

The Solution

- Production Planning Process was broken into accountable gates with achievable milestones
- Standard Operating Procedures were introduced across all work streams
- Production Planning Board and Production Hours visual management control boards implemented
- Planning and governance reviews were set up and help sustain measures
- Value Stream Mapped the end to end process to identify non value added activity
- Trialed planning gates that identified specific keys to move through them, this led to a bus stop style scheduling system for the future state process
- Implemented control measures to help control products through the process
- Introduced a new measurement system to monitor and control performance
- Trained staff to support the new process

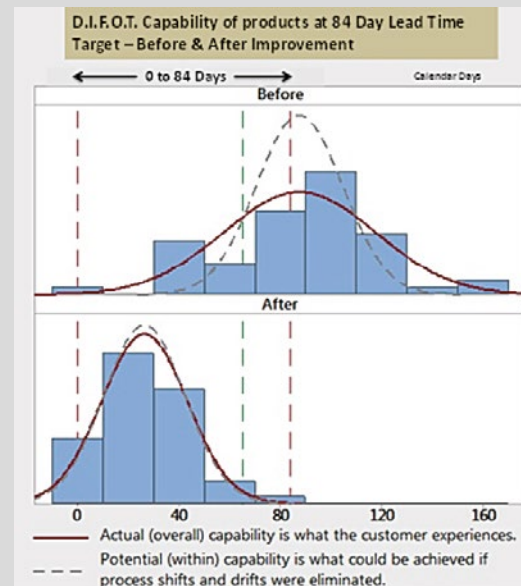


The Result

- Customer confidence in the REC meeting lead times went from 40% to 100%
- Average product lead times reduced from 88 Days to 26 Days
- D.I.F.O.T. (*delivery in full on time*) failures reduced from 55% to 6%
- Meeting the flexible Customer Demand

Overall Process capability has improved significantly which has enabled;

- FTE Reduction \$920k P.A. (9 FTE's)
- Materials Reduction \$120k P.A
- Gross Stock Value Reduction >\$1M



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