

INDUSTRY &gt; Pharmaceutical Industry

# DRASTICALLY REDUCING PRODUCTION-CYCLE TIME

## THE HIGHLIGHTS

An influx of products at a manufacturing plant led to a **severe backorder crisis, resulting in poor customer service and excess inventory.** Ineffective scheduling and lack of flexibility compounded the issue. The solution involved a transformation of operations, starting with customer feedback and collaboration between Sales and Manufacturing. Demand management was simplified, cycle times reduced, and social media utilized for rapid response to unexpected events. The outcome included achieving target service levels within 6 months, a 70% reduction in production cycle time, and a more cohesive organization. **Unexpected events were resolved swiftly, and changes to demand and supply are now managed seamlessly.**

## THE HEADLINES



# 70%

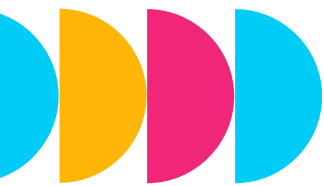
Reduction In  
Production Cycle-Time



# 6 mos

To Regain Target  
Service Levels of 95%





# THE DETAILS



## SITUATION

An overwhelming influx of products at a manufacturing plant led to a severe backorder crisis, causing **disconnect with sales and poor communication of market changes**. The company was also struggling to respond to unexpected events. The net effect resulted in **production cycle-times of almost 12 months** in certain instances. Clearly, poor customer service, excess inventory and high costs came as a result.

## PROBLEM

- Scheduling and sequencing of operations was ineffective
- Plant unable to handle unexpected events.
- Not flexible to cope with drastic changes in demand and supply
- Fragmented internal supply chain

## SOLUTION

The entire operation needed to be transformed, starting with understanding the **Voice of the Customer**. This required Sales and Manufacturing to collaborate. Demand management was simplified, cycle times were compressed, exception management was introduced and processes were supported by social collaborative tools. Demand management processes were redefined to eliminate internal purchase orders and align flows of supply to patterns in demand. **The manufacturing operation was restructured** to operate in continuous flow which minimized changeovers through proper sequencing. Collaboration, using social media was introduced as a way of quickly responding to unexpected events - no meetings required, just those who need to be involved will be drawn to the issue and participate in the resolution.

## BENEFIT

- Target service levels achieved within 6 months.
- 70% reduction in production cycle time.
- ERP system restructured to support new process.
- Social networking created a more cohesive and co-operative organization.
- Unexpected events resolved 1 record time
- Changes to demand and supply are now considered business-as-usual



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