

# LEAN KAIZEN News

Together we lean smarter

## Meet Target Raise Target

When Speed Matters Most

Company D, an established in semiconductor industry, is paying close attention to the Voice of Customer. The voice is loud and clear – delivery speed is vital in a market where demand is highly fluctuated.

During the Initiate Plant Assessment by Pamalex, the VSM exercise reviewed that more than 90% of time during the cycle time was Non-Value Added. By applying Glenday's Sieve technique, a top target



The Focus Kaizen Team in action!

was selected based on significant business contribution.

The discovery of improvement potential led to the formation of two dedicated cross-functional Lean Transformation Teams, Bonus Link and Everlean, taking care of front and back end processes.

Executive training was conducted and an Executive Committee was formed to drive this Lean initiative.

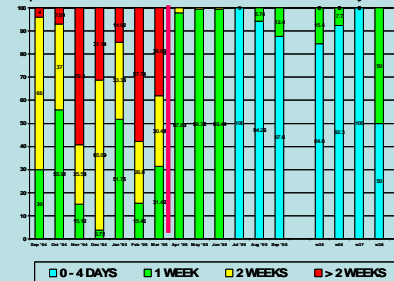
Experienced coordinators from TPM, Operational and Finance departments were selected by the Champion to take charge of this 6 months project.

“Unlike other plants, our major constraint is rigidity where some processes are deep rooted to the floor and re-layout is too costly at this stage.” Explained Mr. Ng, the Lean Champion.

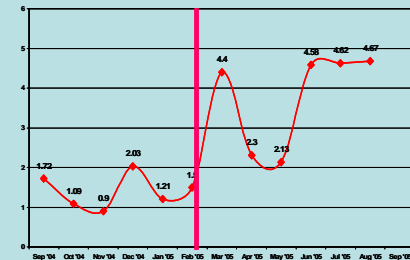
With strong TPM in place, the teams went straight into learning a set of selected

### Client success story

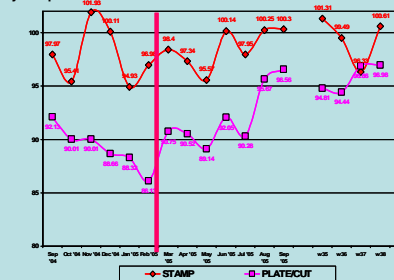
**LEAD TIME.** Before 69% within 2 week. After 99.4% within 1 week. Last month performance was 81% within 4 days.



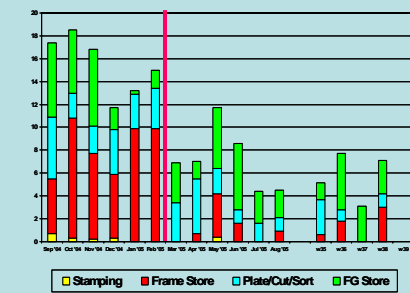
**INVENTORY TURN** based on cost increased 2.6 fold from 1.41 to 3.88



**PRODUCTIVITY.** Yield from team Everlean jumped from 89.81% to 95.88%.



**INVENTORY** The Before and After is a 53.2% reduction in term volume.



lean tools, namely as One Piece Flow, Kanban, SMED and Level Production.

Numerous spot kaizens and cross function focus kaizen events were conducted. A rule everyone observed is that all actions must contributed to bottom lines, which is measured by four Key Performance Indicators, as shown about.

Eventually the teams cut down the Door to Door time, a measurement of how fast from first activity to shipment when an order is received, significantly.

The results were outstanding.

Before Lean, about 30% of orders took more than two weeks from start to ship. Now 99.4% orders take less than 1 week. As the result, the old target was erased, New target 4 days for 95% of orders! **Target raised!**

This was achieved while the inventory level is halved, resulting a 2.6 fold increase in inventory turn. The yield improvement came as bonus.

Some of the significant breakthrough were demand based scheduling, improved flow with takt time and pull system, revised quality

procedures and smart SMED applications at the right places.

“At the beginning, we were confused with so many tools. While we are quite good in execution, guidance is clearly needed.” States Ong, the lean coordinator. “The step by step guide by our consultant helped us to set the right sequence. It is based on logic and needs of the situation. It can be tough at times but it pushes us to seek critical breakthrough that really matter.”

