



# Performance Intervention

## A Global Heavy Equipment Manufacturer

### Case Studies

#### **Abstract**

A global off-highway, heavy equipment manufacturer was experiencing quality and supply issues with a strategic group of Italian suppliers. The assembly plants were experiencing daily disruptions of work flow, reworks, and customer warranty claims. TPS was employed to engage this group of suppliers, stop the flow of defects, coach a zero defect mentality, train the suppliers in quality management, and drive improvement thru-out the process.

#### **Challenge**

- The manufacturer was under increasing pressure from their competitors to improve quality.
- The suppliers in question were strategic and could not be exited.
- The culture of the supply base was not metric driven and, in fact, was based on legacy and politics.
- The industry was not familiar with many of the quality management principles, nor the lean tools to support them.
- The industry was recovering from a severe recession and there was little willingness to spend money on human or physical improvements.

#### **Execution**

- Developed and implemented a comprehensive improvement process divided into three distinct phases (contain, drive back, solve).
- Developed and implemented detailed plans, tailored to individual suppliers, to assure improvements were institutionalized.
- Conducted on site training to upgrade the skills of the suppliers' management and their workforce.
- Developed metrics and met with purchasing and manufacturing to assure the improvements were reaching the bottom line.

#### **Result**

Disruptions, incidents, and PPM were all reduced by over 50% in the first 6 months. The engineers were trained to continue the process with other suppliers. The manufacturer asked TPS to expand the process into other European countries.