Value Chain Transformation

Integrating Lean Manufacturing and Supply Chain with 6Sigma and High Performance Organization concepts to drive significant cost reduction.

- ☑ Lean
- ☐ Six Sigma
- ☑ Supply Chain
- ☐ SAP
- ☑ Change Mgt

•Market :
Engineered Plastics, Polymers

•Client :
Turnover : $1.5B
Customers : global, regional
Employees : 2500

CLIENT ISSUE

A key business of a multi-$B diversified chemical producer was facing significant cost pressure. There was significant complexity of the business as it operated across three geographic regions, shared some manufacturing facilities with other business units, & shared some indirect costs with other business units within the same SBU. They faced tremendous market pressures and had a major 6 sigma initiative underway that needed integration and refocusing. There were three explicitly stated and agreed goals: (1) Significant cost reduction, (2) sustainable change by moving roles/responsibilities to the lowest appropriate level and (3) improving the probability of success of the client's SAP program. The client initially targeted a 20% reduction in controllable fixed costs and, as we worked together, we expanded scope to include variable cost impact, as well. Conditions for engaging an outside partner included being cash neutral or positive in 1st calendar year; working at an acceptable rate of change; and the effort must be a client owned & led project with integrity paramount in the dealings between organizations.

SOLUTION / APPROACH

- Developed "Triad" approach to leverage key capabilities of line management, 6 sigma and CGEY - a unique way to deliver accelerated, sustainable business results
- Began with an 8-10 week hypotheses-driven Analysis & Design (A&D) phase to identify strengths & opportunities, develop a portfolio of improvement initiatives/ projects, build a credible business case, design an implementation path forward and build leadership commitment to driving the changes
- This was followed by a 6 month results delivery effort involving numerous streams of work including Product Line (Portfolio) Management, Supply Chain, Manufacturing/Operations, and Leveraged Services
- Project elements included network, line and site optimization, 6 sigma, lean manufacturing, supply chain and high performance organization concepts – all focused on driving significant cost reduction and operational improvements
- Both "point solutions" and process & organizational changes were implemented
- Solid project management processes and tools were used to monitor performance and keep delivery on track
- Change management processes were used to mobilize stakeholders and institutionalize improvements

CLIENT BENEFITS

The stated goals have clearly been exceeded:

(1) financial results exceed $50MM total savings impact;

(2) new organization models are evolving & hundreds of client' team members have been involved in the improvement process to ensure skills & knowledge transfer;

(3) there has been strong integration with the SAP effort both in developing and implementing aligned processes, clarifying roles & responsibilities and also in strengthening the project management disciplines of the organization

OUR DIFFERENTIATORS

- **Proven process, tools & methodologies**
- **Triad approach driving accelerated business benefits**
- **Experienced team** - bringing energy industry know-how, business knowledge, & consulting skills

☑ Europe ☑ North America ☑ Asia/ Pacific

We used a number of different tools & methodologies