

SIMS Portex, England

Organisational re-design to improve the bottom line

Kent (UK) based SIMS Portex is a world wide supplier of medical and surgical products, part of the medical division of UK based Smiths Industries. Their core competence is the production of fine tolerance moulded parts such as epidural tubes. Their long term goal is to be capable of supplying all the equipment required for particular types of operations ("Wall to Patient"). Although a highly profitable business, SIMS Portex were threatened by the ability of foreign manufacturers to produce significantly cheaper products. In order to remain competitive, SIMS needed to develop and implement a long term manufacturing strategy that would address this problem. Renoir Consulting was selected to assist following a highly competitive selection process.

ANALYSIS

Renoir carried out a three week assessment in the two UK facilities. Three main issues were identified as having significant improvement opportunity:

- Material Yield scheduling and balancing
- Direct labour planning, Excessive indirect labour

PROJECT

A task force was selected from amongst the Portex staff. They received specialised training and became part of the Renoir team.

Business improvement teams were formed in the critical areas and were taken through an introspective analysis of their areas to create awareness of the issues and ownership of the improvement process and desired outcomes.

Materials Yield

The only elements of the finished products that were made in house were the moulded components which were low in value. It had been accepted that the low value of lost yield was small and consequently received little attention. The effect on overall capacity was critical, however. Improving the processes, machine OEE's and quality had a significant and positive effect on production, allowing the gradual closure of one facility.

Direct Labour

There were thousands of different operational steps, and the manufacturing cells were relied on to move crew around from station to station to balance the flow of work. Better systems and structure were developed to more effectively balance the work and associated labour, saving a significant number of FTE's.

Indirect Labour

Indirect labour costs were around twice the direct labour cost and given the competitive pressures on the business, these costs needed to be dramatically reduced. Through proper alignment of the critical success

Key Results

£2,000,000 in bottom line
benefits

Significant behavioural
change

New structure and reduced
overhead

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factors and focused objectives, the organisational structure was revised yielding significant cost reduction.

The changes in systems, processes and behavioural improvements at all levels generated annualised benefits in the order of £2,000,000. These were sustained and further built upon after the project. SIMS Portex also continued to develop other areas of the business as well as its product range and continues to be an effective competitor in the market.

THE RENOIR GROUP

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