

# Ritchie & Associates

*The Performance Improvement Consultants, Since 1967*

## **Ritchie Facilitates Process Optimization**

### **Client Profile:**

With humble beginnings in the early 60s, this company through an entrepreneurial spirit, innovation and key acquisitions is one of the leading manufacturers of composite wood panel products in North America. Using lumber industry by products and underutilized wood species once land filled or burned as waste, the company manufactures a wide range of wood panel products.

### **The Need & Approach:**

The company's customer and order profile had been gradually changing over the years. Customers used to place large orders of a single SKU and were now placing much smaller orders of multiple SKU's on a weekly basis. The production process was designed for long runs of a single product at a time. The company's internal indicators showed a gradual performance decline in Order Entry Processing, Scheduling, Production, Warehousing, Shipping and Billing processes.

The COO said, "We need outsiders to conduct a comprehensive review of our entire Order Management process."

The assignment required one Project Manager from Ritchie. Our role in Phase I was to define the current state and to identify and document impediments and opportunities for improvement. After a three-day assessment of the scope of the engagement, performed at no-charge to the client, Ritchie & Associates began Phase I. This was a rare case in which savings was not a key objective.

### **The Work & Results:**

To define the current state Ritchie & Associates, working with employees that performed the work, documented existing processes over a six-week period. The twenty-two process maps provided an effective, yet simple, picture flow of the process from Order Entry to Invoice. This highly participative, interactive process, documented the current state, identified strengths and weaknesses, and promoted a common understanding of all existing barriers.

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Key process attributes such as; Information flow, Inputs, Outputs, Approval Points, Decision Making Criteria, Key Performance Metrics, Value Added and Non-Value Added Activities, Communication Channels and Time Lines were documented and evaluated. Over 100 impediments and process improvement opportunities were identified and these were categorized into eight buckets.

At the conclusion of Phase I Ritchie was asked to continue, but more in a facilitator role.

During the next eighteen weeks, the Project Manager from Ritchie & Associates was assigned to facilitate and provide leadership for four internal cross-functional process improvement teams, headed by senior members of the client's management team. One team was dedicated to each of the following areas: Order Entry, Scheduling / Production, Warehousing and Shipping. These teams were charged with process improvement, process redesign and documenting the future state.

Ritchie & Associates also focused on developing a new Scheduling Model, improving Production Process Control and reducing Changeover times. The teams implemented many process improvements, documented the future state, and compiled a roadmap for the future state. The Roadmap incorporated task lists, priorities, due dates and accountability schedules.

The client now has a methodology and sufficient training to continuously improve their processes. They continue to work on removing barriers and impediments and improving the performance in all areas of the operation. They have been able to transition to a more customer-oriented company that can respond to the changing needs of the market place in a proactive manner.

*"We certainly appreciate Ian's work with our team. The upfront work he did was instrumental to getting us pointed in the right direction." A year later and we are positioned much better to accommodate the changing demands of our customers.*

Plant Manager