

Ritchie & Associates

The Performance Improvement Consultants, Since 1967

Front End Improvement Yields Results

Client Profile:

This company is owned by a Private Equity Firm and makes displays and fixtures for the retail industry including; kiosks, display cases, dressing rooms, garment racks and wall systems. Since 1991, the company has worked from Brand Stores to Boutiques creating innovative vehicles to meet the unique marketing objectives of their customers to reinforcing brand value. They custom design, engineer, manufacture, deliver and install their products for their customers. Located in New Jersey, they have received numerous awards for their custom designs and fabricating capabilities, and are recognized as a leader of quality products in their industry.

The Need & Approach:

As a custom designer and job shop, it is essential to have a highly effective and well functioning front-end of the business. The front-end involved Sales, Estimating, Engineering, Purchasing, Account & Project Management, Production Scheduling and Customer Service. With the recent implementation of an ERP System, there were numerous process impediments affecting order fulfillment and cash flow. In addition, there was a high level of frustration on part of the employees. Having successfully worked with the PE Firm previously, Ritchie & Associates was contacted to assess the situation. A two-week no-fee Analysis was performed by Ritchie to understand the situation, the impediments and to develop a client specific approach to improving the operation. Our findings and approach were presented to the Executive Team and we were retained to lead the improvement initiative.

The Work & Results:

During the early stages of the project, Ritchie worked in close cooperation with all levels of employees to define the "current state." To accomplish this, all work activities were defined and the work processes were mapped for each area encompassing the front-end. The key outputs from these areas were clearly defined, prioritized by importance and where applicable measured in terms of timeliness, quality and quantity. Communication sessions were conducted to review, in detail, the system and process impediments, duplication of effort, non-value added activities and the need of the outputs from the users/customers viewpoint. These sessions not only highlighted the opportunities for improvement, but also greatly enhanced the understanding of all parties as to the nature of the work performed and the need and value of their outputs.

The improvement opportunities were listed and prioritized and cross-functional teams were formed to address the issues and to implement solutions. Over the course of the 30-week project Ritchie facilitated numerous teams, solutions were implemented and a measurement system was installed to report performance. Tangible, as well as intangible, results were achieved.

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Among these were:

- A realignment of the organization was implemented. Areas were combined to establish more of a cell based organization, centered on functions that were closely linked by their inputs and outputs.
- A decrease in the cycle time, as defined from Order Receipt to Manufacturing Order, resulting in increased cash flow.
- Improved Order Fulfillment
- Improved morale, enhanced communication and a greater level of responsibility and accountability.
- More streamlined and effective work processes, and the elimination of wasted time, resulting in improved productivity.

The project results have provided a flexible and dedicated organization for future growth. The results have given us a valuable increase in our net worth to achieve our corporate plans for this year. The quality and availability of your personnel working together with our people surpassed all our expectations. You truly have been a great group to work with.

President & CEO