

CASE STUDY



Railcare was formed in February 2007 and operates sites in both Springburn and Wolverton. With considerable expertise in Vehicle and Component overhaul, Incident Repair, Spares and Logistics, Railcare offers customers a total Rolling Stock solution.

“Being involved in this programme has really set the wheels in motion for on-going change within our working environment. We are now planning the next lean improvement project”

Railcare (BOM) Lean Team



Lean Project

The project scope was to focus on the Bill of Materials (BOM) which is a list of materials needed for each individual project relating to the job specification. This led to the team identifying three objectives:

1. Identify issues within the BOM relating to the Invitation to Tender process
2. Collect data around the issues in order to provide a basis for improvement
3. Implement and monitor the improvements

From the analysis and utilisation of Lean tools and techniques, the team identified process problems with the key ones being summarised as follows:

- Insufficient time allocated to BOM creation
- Low involvement of production personnel when creating BOMs
- Too many inaccuracies within the BOM particularly at the front-end due to poor information flow and the complexity of customer options

As a consequence of the above, there is much duplication and rework throughout the whole process along with excessive lead times adding additional pressure to project delivery. The overall cost of a project is inflated as extra labour and material costs are incurred in order to deliver the project fully.

Outcome(s)

During the project, the team measured the time consumed in amending BOMs as a result of process issues.

This equated to approximately **364 hours** per annum costing the company **£7,500.00**.

The team have presented the detail behind this to the management team and they have demonstrated how this can be eliminated.

In addition, the team highlighted the cost of material waste over 5 specific units which resulted in annualised waste of **£45,150.00**.

The overall business benefit will see the company reduce costs by **£52,650 per annum**. On the company's current business model of **5% profitability**, this equates to an increased Sales turnover in **excess of £1m**.

This programme is now available co-funded with a Government contribution of 90% via the apprenticeship scheme. For further details call **01253 808380** info@rkmsuk.co.uk



Centre No: 045767

