

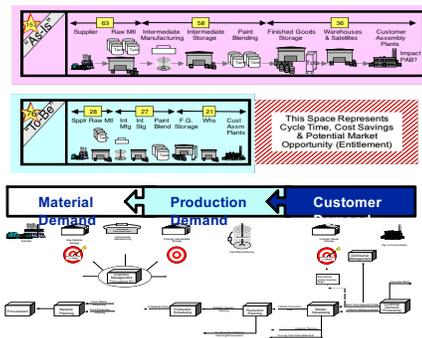
Case 9b: An OEM automotive coatings business was facing margin pressures, customer satisfaction issues & significant competitive threats

- They had historically good customer relationships that were being challenged & they saw an opportunity to better meet / exceed their customers' expectations on a more consistent basis – both in terms of product supply & also color / application development.
- They wanted to start an extensive lean manufacturing / supply chain effort to help with meeting current & near-term demand.
- They also wanted to apply lean concepts to the Product Development & Introduction process – with a specific focus on the Annual Color Program
- Their “Multi-functional concept of prevention” – jointly developed by Manufacturing, Technical & Quality – was adopted for the PD&I process along with lean concepts, methods & tools.

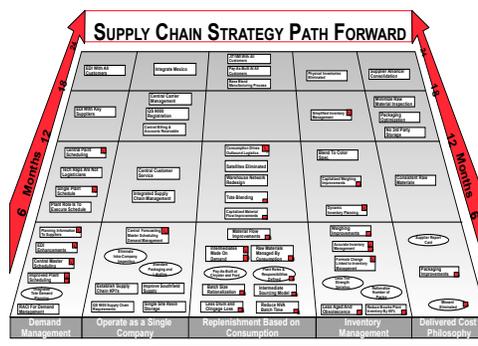


Impact: The lean supply chain work delivered **\$18MM** cost reduction, **>40%** reduction in supply chain cycle time, & improved delivery & service contributing to a **6%** net income improvement

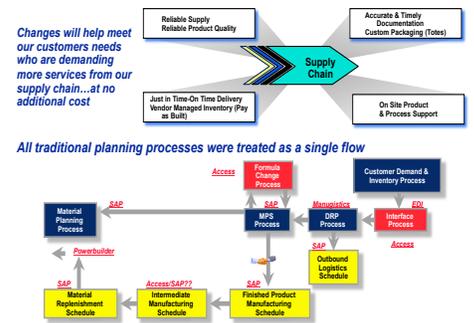
Supply Chain Tools



Supply Chain Strategy



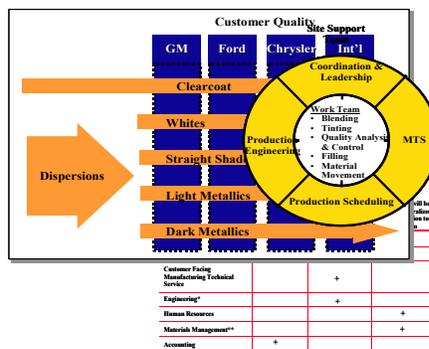
Process changes anchored to process technology



Application of Lean Principles

- ✓ Plant configuration - cell creation
- ✓ Continuous flow production
- ✓ JIT
- ✓ Forward integrated demand management
- ✓ Replenishment based on consumption
- ✓ Vendor managed inventory
- ✓ Prewieging
- ✓ Increased process control management
- ✓ Customer based quality management

Organization Design



Process Reliability Approach

	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
Name	Follow Program	Consolidated Req. Center Improvement Idea List	Prioritize Opportunities	Operational Complex and Solution Character Development	Solution Launch and Performance Management	"1x" and "1x" Process Modeling	Process Verification and Piloting	Implementation
Icon								
Description	Call for response to the customer. This is a process of various the critical process of creating market, other or quality objectives?	Prepare operational process to address customer, identify individual marketing opportunities that are a high and winning market.	Operational view evaluating the process. 1. How can we add to the process? 2. How can we add to the process? 3. How can we add to the process?	Operational view to 3. address performance opportunities in a process based on a common theme. 1. How can we add to the process? 2. How can we add to the process? 3. How can we add to the process?	Follow an initial set of activities, performance management tool.	Process failure steps and opportunities to address "1x" and "1x" modeling and the subsequent "1x" modeling.	Process failure steps and opportunities to address "1x" and "1x" modeling and the subsequent "1x" modeling.	Process failure steps and opportunities to address "1x" and "1x" modeling and the subsequent "1x" modeling.
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