

# Reducing Production Cycle Times Generates Cash and Opportunities\*



**Strategy:** Reduce production cycle time to cut costs and improve delivery to compete with Chinese suppliers

Business was being lost due to customers moving to **off shore suppliers**. They couldn't lower prices enough to win on price alone, so strategy changes were required. Products had to be produced faster, gaining a **competitive advantage** by fulfilling shortages when offshore suppliers failed to deliver. Faster fulfillment and lower customer inventory were needed to help lower operating costs. Jacquard achieved this by implementing Profit Projects® to reorganize customer service and production, driving speed in order fulfillment and improving both cash flow and Return on Capital Employed.

Success Thread™	Profit Projects®	Highlights & Client Comments
<b>Customer Focus</b>	<ul style="list-style-type: none"> <li>Inside Service Department (Scheduling &amp; Forecasting)</li> </ul>	<i>Increased on-time delivery by 10%</i>
<b>Financial Discipline</b>	<ul style="list-style-type: none"> <li>Cash Flow Management &amp; Modeling</li> </ul>	<i>Maintained positive relationships with bankers and suppliers</i> <i>Increased cash with lower inventory carrying costs</i>
<b>Operational Speed</b>	<ul style="list-style-type: none"> <li>Production Scheduling</li> </ul>	<i>Reduced production cycle time from 12 days to 5 days</i> <i>Reduced WIP and FGI inventories to match faster fulfillment times</i>

**The Bottom Line:** Production increased by over 10% per week with reduced labor and material costs. Cash flow improved significantly.

## At a Glance

### : The Client

Privately owned manufacturer of electronic components for the automotive, home and building HVAC marketplaces throughout North America.

### : The Goals

Streamline processes to increase competitive advantage, while lowering costs and improving cash flow.

### : Project Time Line

16 weeks

### : The Impact! More Money

- Annualized profit improvement of \$1.2M
- Reduced WIP and FGI inventory by \$310K
- Increased output by 10%

### : The Impact! Lower Costs

- Reduced headcount by 20%
- Cut scrap in half

\* This Client Overview represents the 2<sup>nd</sup> engagement at this client. See "Rebuilding Momentum and Production Sets New Standards" for the story of the primary engagement.

Jacquard Associates is a team of hands-on, roll-up-your-sleeves business professionals who help clients identify strengths, raise expectations and improve the way they do business. We help **motivate** people, **streamline** processes, **impose** financial discipline and **create** systems to yield better customer service, faster turnaround, improved sales and enhanced profits.

Our single goal is to provide clients with tools to improve business performance fast. Organizations typically are full of opportunity. Owners and executives have great ideas and increasingly urgent needs. We specialize in transforming those **Ideas to Action** through a set of simple, proven, proprietary tools for improvement. A client's customized program of Ideas to Action may include:

- **One-to-One Coaching**, to develop mission-critical personnel
- **Wonderments®**, highly revealing and effective mini-projects demonstrate the impact of executing fundamental improvement opportunities
- **Profit Projects®**, longer-term improvement initiatives tailored to the client's needs and implemented by Jacquard and the client's team

Jacquard Associates also helps companies and industry groups develop **performance improvement expertise** through seminars, workshops and focused roundtable discussions.

**Work with us is easy.** We connect the dots between entrepreneurs, managers, investors, and bankers. We also perform certain services that other turnaround firms may not provide, and we are able to seamlessly integrate with any existing professionals in situations that warrant it.

Last but not least, **we put our money where our mouth is:** our fee structure is tied directly to our performance.

To learn more, call us at 847.945.8700 or visit us at [www.jacquard.com](http://www.jacquard.com).

## Industries Served

### Manufacturers

Automation – very small to very large  
Automotive Aftermarket  
Bicycle Parts  
Cases “sample and department store”  
Cleaning Supplies  
Clothing  
Consumer Auto  
Electrical Assembly equipment  
Electrical Components  
Fabric Printing  
Food Consumer, Staples, Flavoring  
Forgings  
Grinding  
Home Builders  
Jukeboxes  
Kitchen Assemblies  
Medical Equipment  
(hospital and private practice)  
Medical Test Equipment  
Metal Forming  
Mops  
Packaging – dangerous material  
Packaging – temperature controlled  
Packaging Materials  
Plastic Extrusion (consumer parts, plastic wood, electrical parts)  
Point of Sale Displays  
Printed Circuit Boards  
Printing (commercial, display, label and fulfillment)  
Specialty Albums  
Test Automation  
Valve Regulators  
Vending Machines

### Distributors

Collectibles  
Electronic Assembly Equipment  
Ethical Drugs  
Exotic Metals  
Factory Automation  
Fulfillment (various)  
Ice Cream  
Janitorial Supplies  
Jewelry  
Manufacturing MRO Supplies  
Medical Supplies  
Screen Printing  
Specialty Foods  
Used Production Equipment  
Wholesale Foods  
Wines & Beverages

### Service

Audio Visual Systems  
Banking – mid market lending  
Communication Software  
Contractors (general, electrical, HVAC and plumbing)  
Engineering  
Environmental Testing  
Industrial Cleaning and Coating  
Investment Bankers  
Marketing  
Point of Sale Marketing  
Public Accounting  
Publishers  
Surveyors  
Telephone Systems

### Retail

Carpeting  
Clothing  
Jewelry  
Music and Games  
Restaurant Chain  
Toys