

Delivered additional profit of US\$ 65,000 per annum by reducing cycle time of truck loading

BUSINESS CASE

Market Trend

- The organization identified an under supplied region in the northern part of the country

Organization Trend

- The organization decided to invest in a green field plant with a CAPEX of over US\$ 80 million

Customer Trends

- The sales in the region have increased by 200% in the last 3 months after the launch of the new plant
- The increasing demand and supply required increased unloading of incoming raw materials and loading of outgoing finished goods

CHALLENGE

What is the challenge

- Manual loading and unloading have a high lead time of 2.01 hours per 15 MT (Metric ton) truck with an average productivity of 1.85 MT per person i.e. 8 people
- On an average, 20 trucks of 15 MT each **need** to be unloaded and loaded to meet the demand and supply requirements

Where is the challenge

- At the new green field plant

How much is the Challenge

- 8 people required for unloading and loading operations which is more than the benchmark
- Only 10 trucks are being loaded and unloaded per day which is not enough to meet the customer demand

IMPACT

What is the impact

- Halting time of vehicles carrying raw materials increased by 2 days, leading to increase of dissatisfaction levels of suppliers
- Delay in loading causes delay in delivery of materials to the customers impacting the OTIF index
- Increased number of trucks at parking area forcing the deployment of more personnel (due to lower productivity), leading to increase in the costs

TARGET

What is the Target

- The timely loading and unloading activities need to be increased, without impacting the cost
- Decrease the number of personnel who are loading and unloading a 15 MT truck from 8 personnel to 4 personnel
- Eliminate the halting demurrage charges
- No impact on OTIF due to delay in loading of the material
- Increase the number of trucks which are to be loaded and unloaded from 10 trucks per day to a minimum of 20 trucks per day

OUTCOMES

Improved Profits

- Delivered additional profit of US\$ 65,000 by achieving the per person hour productivity of 3.75 MT i.e. 4 personnel to load a 15 MT truck
- 60% increase in daily loading and unloading activity of material without increasing the manpower
- Number of trucks dispatched increased from 10 to 16
- Process has been documented for on-time availability of trucks at docks

Employee Engagement and Satisfaction

- Interdepartmental co-ordination improved as process is in place

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