

# Delivered additional revenue of US\$ 1.3 million per annum by enhancing capacity

## BUSINESS CASE

### Market Trends

- The organization identified that the market size of a specific product in the target geographical location will increase by 15% over the next Financial Year (FY)

### Customer trends

- There was also a forecasted increase in demand of the same product from existing customers, in the next quarter

### Organizational trends

- However, the organization did not have enough capacity to meet the demand

## CHALLENGE

### What is the challenge

- ±22 hours variation in batch cycle time leading to schedule variance in the dispatch of products to customers
- Higher Batch Charging Frequency (BCF) of the product process leading to:
  - 50 kg per month of lost sale when compared to a total upcoming customer demand of 576 kg per month

### Where is the challenge

- API for an asthma and allergy formulation

### When was the challenge identified

- FY 2015-2016

## IMPACT

### What is the impact

- Potential loss of revenue of US\$ 1.5 million per annum if the:
  - Estimated growth in customer demand is not met
  - Customers begin to prefer other flexible competitors who are able to align with their varying demands
- Increased customer complaints on
  - Inadequate supply of products when needed
  - Higher minimum order quantity

## TARGET

### What is the Target

- Produce more without adding any additional lines or equipment i.e., additional CAPEX
- Meet the upcoming increase in customer demand
- Decrease air shipment by at least 30%

## OUTCOMES

### Financial Outcomes

- Overall cost of production reduced by US\$ 0.9 mn including savings from increased % of sea shipments
- Additional revenue of US\$ 1.3 million per annum by meeting increased customer demand

### Leaders of Tomorrow

- The project enabled the organization to select the project leader to be the next Head of a block in an API manufacturing site

### Customer Centricity

- Met increased customer demand
- Increased production from 527 kg per month to 583 kg per month, an increase of 56 kg per month

### Operational Outcomes

- Decrease in BCF by 14%
- Decrease in variation in batch cycle time to ±9 hours

## Delivered using:

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