

Case Study

- Customer – Tier 1 Supplier
- Plant – 1.4M sq ft with 3,200 team members
- Annual Plant Revenue – \$750M
- Main Issues
 - Not meeting Customer expectations for Quality or Delivery
 - Delivery score at 74%
 - Losing \$9M/ month mostly in Premium Freight (in & out) + Direct Labor, and 3rd party resource costs
- Results
 - ☑ Spectrum restored Quality and Delivery ratings within 4 months with PPM < 100 and a Delivery score of 99.3%
 - ☑ Saved \$1M a month by removing all 3rd party resources within 3 months
 - ☑ Reduced attrition and lowered absenteeism
 - ☑ Improved Pricing, Manufacturing, & Future Program structuring
 - ☑ Payback for investment in Spectrum was < 90 days
 - ☑ Installed systems and disciplines in the organization gave sustainable Stability and profitability after Spectrum exited the engagement
- Actions
 - Spectrum engaged to assess the situation and develop a containment plan to secure Quality & Delivery
 - Spectrum assumed the General Manager position, Production Manager position(s), a 5-person Materials Expert Team, 3-person Quality Engineering Team and a Data Analyst position
 - It was quickly determined that the immediate concerns were coming from poor organizational structure, direct labor attrition & absenteeism, poor capacity planning and inventory accuracy challenges
 - The GM took complete accountability for Sales, Program Management and Manufacturing
 - Structure & Personnel assessments led to a decentralized organization, recruitment of proper talent set personnel and dismissal of non-value added overhead
 - Spectrum changed the shift patterns and wage structure