

From average to unsurpassed in one year

In less than one year, the old motor grader factory belonging to Volvo Construction Equipment was transformed from a less than average performer to best in class. The method: New plant layout and revised material flow all the way from supplier to line operator.

Challenges and customer needs

The factory was old and hard to operate in a rational way. This caused high manufacturing costs and low product quality plus on-time delivery and productivity where below target. The management set the challenge to be profitable within one year and to introduce a culture of continuous improvement. The overall goal was to become the best factory within Volvo Construction Equipment in terms of quality, delivery and cost.

Volvo Logistics in conjunction with the customer identified areas of improvement and developed a plan to achieve the goals.

Our solution

Starting from the production line and the operator's needs, Volvo Logistics designed a new plant layout and material flow in order to improve the production flow. The material flow goes all the way from the suppliers through the factory's warehouse to the three main assembly lines.

Kitting and sequencing save line-side space and new, ergonomically designed racks at the line-side minimise the operator's reach distances, at the same time giving the operator more space. The dynamic flow racks provide full depth storage with safe and ergonomic picks. Products are always available, restocking is easy and replenishment from the main aisle does not interfere with the assembly area, where no forklifts are allowed.

Volvo packaging system is used through the entire material flow chain. The stan-

dardised packaging and racks support lean philosophy and lean logistics principles.

The result

The time from pre-study to functioning rebuilt plant took no more than seven months and rebuilding was done in eight weeks during the plant's summer shut-down. More efficient manufacturing and warehousing operations resulted in immediate reduction of operational costs and lead time. Flexible manufacturing and better working environment came as a bonus. Some figures from the engine line: Production time decreased from 11.92 to 4.75 hours per unit resulting in doubled capacity and productivity.

Success factors

The customer asked for a turn key solution and assigned the necessary finance and manpower resources to achieve the goal. The company was eager to improve and willing to do whatever it takes to improve their processes. This in combination with a strong, dedicated and knowledgeable project team within Volvo Logistics and Volvo Construction Equipment were the key success factors. All in all, this project was a living example of teamwork, collaboration on all levels and professional people focused on achieving the company's expectations.

More information

If you want to know more about this Success story or discuss how we can help you in a similar way, please contact us. Contact details: www.volvologistics.com.