

Automotive Manufacturer: Order to Delivery Process



Challenges

- ❑ Low ranking, in J.D. Power's survey, of customer perceived quality
- ❑ Long lead-time for built-to-order vehicles
- ❑ Excessive post-assembly rework
- ❑ High cost of finished vehicle inventory
- ❑ Poor adherence to promised delivery dates
- ❑ Company operating at a loss

Executive Summary

- ❑ Leading European manufacturer of premium passenger vehicles

Results

- ❑ J.D. Power's survey of perceived quality ... moved up from #7 to #1
- ❑ 30% more cars produced in the same plant without overtime
- ❑ Order-to-delivery cycle time reduced by 55%
- ❑ Assembly *first time okay* improved by 400%
- ❑ On-time delivery to dealers improved 80% in Europe and 220% in USA
- ❑ Cash generated through inventory reduction: 56% in Europe, 34% in USA
- ❑ Went from operating loss to positive operating income

“It was a joint project...they worked to push us...both Thomas Group and our company stayed focused and this synergy produced the results.” –Global Marketing Director

Automotive Manufacturer: Order to Delivery Process, cont'd



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How Achieved

- ❑ Alignment of entire organization around vision of entitlement
- ❑ A communication plan, owner, and drumbeat established to inspire and inform through a drumbeat of various vehicles
- ❑ Cross functional teams mapped processes and identified NVA and opportunities to improve first time okay
- ❑ Installed hierarchical measurements to drive and monitor performance improvements
- ❑ Installed supplier measurements and worked with individual suppliers to improve OTD performance of raw materials from 78% to 94%
- ❑ Supplier lead times were shortened and suppliers achieving daily deliveries increased 700%
- ❑ Culture change from push to pull
- ❑ Barrier removal teams eliminated assigned defects and rework