

CASE STUDY

Industry: Manufacturing

Client: BASF

Event: Kaizen Event

50 Words or Less

This case study illustrates how through the Kaizen process opportunities for quick improvements and substantial annualized savings can be discovered and measured. In a short period of time, BASF recognized nearly \$689,000 in savings through efficient time and process modifications.

Reducing Cycle Times and Speed of Batch Processing in Automotive Coatings Process

BASF is a global corporation with a very diversified portfolio that ranges from chemicals, plastics, performance products, agricultural products, and fine chemicals to crude oil and natural gas. Around 95,000 employees on five continents are the key to their success.

BASF Automotive Coatings is a \$1.2 billion (2004 data) chemical division focused on developing and manufacturing innovative coatings for the automotive industry including Ford, GM, and Daimler Chrysler.

The Automotive Coatings Division provides a full range of thermal spray coating services to meet the coating needs of customers in the automotive market. Their coatings impart essential material characteristics for critical components.

Objective

Cycle time between batch strike-up needed to be reduced in order to enhance total productivity. Original goal was to cut this time by 50 percent. The key tools used were Lean Assessment, Lead Leader Training, Site Steering Team deployment, Kaizen Interventions and specific Lean tools such as Standard Work, 5S and Visual Management.

Actions

Initially, through a series of Kaizen Events, opportunities were outlined to include reducing batch strike-up time, reducing the order process time, improving Tote, Fill and Ship Process, while shortening the distance travelled during lab operations.



About SBTI

Recognized as thought leaders and innovators in business process improvements, Sigma Breakthrough Technologies Inc. (SBTI) is a global management consulting firm specializing in deployment of Six Sigma and Lean methodologies. SBTI delivers innovative and sustainable business process excellence solutions by developing future leaders with core competencies to drive superior top and bottom line results. We advance our clients with best-in-class results in revenue growth, cost reduction, new product development and process improvement.

SBTI offers a full range of programs and services. These offers include leadership workshops, asset maximization, strategic planning and assessments, multilevel managerial workshops and specialized “belt” training at the tactical level.

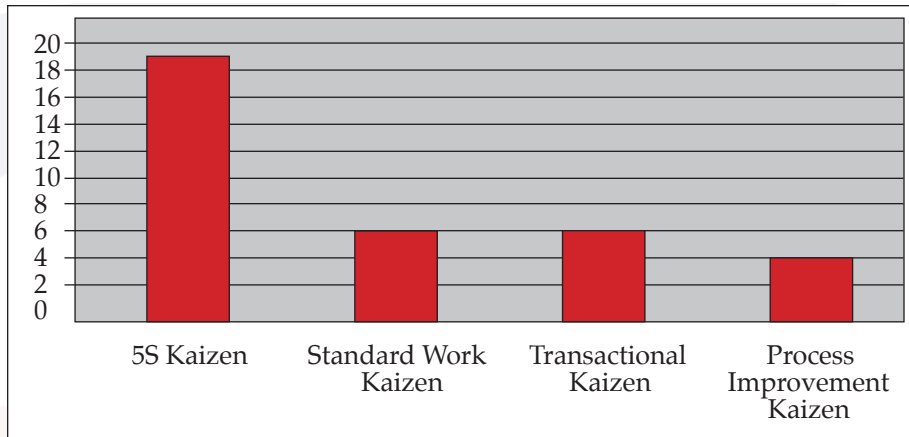
SBTI delivers the fastest and highest return on investment in the industry. Always incorporating a measurement benchmark, most of our clients experience an average of 30X return on investment within the first 24 months of engagement.

Our international offerings are handled through regional offices in Latin America, Europe and Asia. Materials are available in English, Spanish, Italian, French, German, Mandarin, Korean and Japanese.

Dr. Stephen Zinkgraf, one of the original Six Sigma developers, founded SBTI in 1997. Beginning with two corporate clients, SBTI has grown to more than 50 global corporate deployments and an additional 50 clients using SBTI methodology.

SBTI Executive Directors and Master Consultants have a minimum of 10 years industry experience – some 25 or more. Our international offices provide the same unmatched experience and capabilities as in the states, while offering local language and bilingual instructors. All of SBTI’s consultants have lead multiple waves of training, completed numerous projects, and continually mentor Black Belts.

The team identified 13 key employees within BASF production who were trained in Lean Leader. An additional 11 employees in processing roles were also identified. A series of 36 Kaizen Events took place, with over 174 BASF employees participating.



Results

The chart below identifies the measured results in both time and efficiencies as well as annualized savings.

Opportunity	Results	Savings (annualized)
Reduced Batch Strike-up Cycle Time by 53%		\$74,000
Reduced No. of Screens Required for Order Entry by 30%		\$282,000
Improved Tote, Fill and Ship Process Efficiency by 27%		\$100,000
Reduced Distance Travelled for Lab Operations From 963 to 327 feet		\$85,000

Lessons Learned

- Allowing the right amount of time to focus on improving the areas was key to making it successful.
- Amount of waste disposed raised awareness of the importance of implementing a Lean inventory management system.
- Learned a lot not only about Kaizen but also how to be better organized (visual controls, parking spots, etc.).
- Better appreciation for all the steps in one area.
- Had excess of ancient equipment (gigantic mixing blades, excess large batch equipment, etc.)



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