

MARSH ELECTRONICS REDUCES LEAD TIMES, INCREASES VOLUME AND REALIZES ADDITIONAL DRAMATIC RESULTS THANKS TO QRM



Company Profile:

Founded in 1937, Marsh Electronics Inc. is a distributor for many lines of electrical and electronic products. The company also provides value-added solutions using in-house wiring and assembly operations. Marsh serves various markets, including food and beverage, energy, military, industrial, commercial, off-road vehicles, and medical. Marsh has its headquarters in Milwaukee, with warehouse locations in Appleton, Wisconsin, and Indianapolis. The privately owned company has 90 employees.

Situation:

WMEP Manufacturing Solutions has worked with Marsh for more than 15 years on operations improvements and certifications. Recently, Marsh was experiencing long lead times in its value-added services area, which makes custom cables and electrical assemblies. As a result, on-time delivery and fill rates were suffering. Marsh was looking to increase the flow of products to shorten lead times.

Solutions:

WMEP Manufacturing Solutions proposed implementing Quick Response Manufacturing (QRM) principles to address lead times. The first step involved training leadership in the principles of QRM. The company immediately recognized that its computer system was increasing production order sizes to be more "efficient." This resulted in time being spent making parts that wouldn't be needed until months later, which made current orders late. Marsh started reducing batch sizes to only what was immediately needed. As a result, the company was able to get more jobs through its production area. The implementation team created a project charter, selected products to analyze and improve, mapped the value stream for these products, collected data on wait times, selected improvements to reduce long wait times and implemented these improvements, which generated dramatic results.

Results:

- Lead times reduced from 8 days to 3.8 days while volumes increased 10%
- On-time delivery increased from 87% to over 95%
- Fill rate increased from 95% to over 99%
- Work-in-Process inventory reduced 74%
- Overtime costs cut by 80%
- Temporary employee costs fell 66%

"We enjoy working with the WMEP people. They are honest, forthcoming, consistent and have helped us greatly in many areas of our company."

Jim Banovich, CEO - Marsh Electronics Inc.

MARSH

Electronics, Inc.

