JACOBSON COMPANIES

Integrated Supply Chain Solutions

CASE STUDY

Jacobson Engages in Lean Manufacturing Processes with Leading Agricultural Machinery Manufacturer

How this leading agricultural manufacturer benefits from working with Jacobson Companies:

- Collaborative creation of a true lean manufacturing environment
- Jacobson's Six Sigma on-site expertise and yellow belt certification/ mentorship for employees
- Quality Management System with standard work documentation, training, and auditing
- Utilized customer's version of SAP for inventory management, with accuracy consistently above 99.5%.
- Reached and exceeded goal of 99.5% on time delivery

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The Challenge:

A manufacturer of agricultural machinery wanted to replace its in-house receiving and parts stores with an offsite 3PL provider. After awarding Jacobson with the off-site parts receiving operation, the company collaborated with Jacobson to identify cost saving opportunities as it related to inbound and dealer replacement parts.

Our Solutions:

Jacobson relocated the parts receiving department and storage warehouse to a 400,000 sq. ft. facility in Illinois using Jacobson trucks to provide "Just in Time" delivery to the production floor. Over the past 17 years, Jacobson developed and built the company's Logistics Service Center (LSC), which is part of an overall operation that includes 830,000 square feet of warehouse space across seven facilities — five in Illinois and two in Des Moines, IA.

Across all of these facilities, Jacobson has collaborated with the company to engage in a process of continuous improvement. The companies worked together to develop a multi-functional operation to enable lean manufacturing processes, employing such tools as Six Sigma, Value Stream Mapping, 5S and the Jacobson Quality Management System.

As a result, JIT delivery to the LSC production floor is now a point of use delivery (P.O.U.D.) to the specific assembly line. Jacobson delivers line requirements on mixed pallets to designated dock doors, reducing time and handling within the manufacturing plant.

After monitoring product movement, Jacobson identified redundancy in product handling as full pallets were shipped and returned to the warehouse. Jacobson and the company implemented a new process of picking parts for a specific assembly, sorting onto specially designed carts, and delivering the carts to the production site. Returned carts triggered replenishment for a continuous delivery stream of parts. Over time, this process was again re-designed with even more efficiency by Jacobson sequencing parts for delivery.

Jacobson also challenged itself to reduce waste and cycle time in order to more quickly react to our customers' needs within the last production operation prior to final delivery. This department is dedicated to bundle assembly, sub-assemblies, service parts assembly and sequencing of material to line.

With its Lean Six Sigma training, Jacobson identified opportunities to increase capacity and improve information and material flow by identifying constraints for late delivery. The team completed a cause and effect analysis and a list of prioritized actions to implement, which resulted in a 100 percent on-time to delivery schedule. The project also resulted in changes in the picking process and correct routings among other improvements.

The company and Jacobson also collaborated in dedicating part of the LSC as a powder and e-coating facility operated by another existing supplier. Jacobson and this supplier work hand in hand on a continuous basis.

For more information on this operation or on Jacobson's Logistics service contact us at: 800-636-6171 or email sales@jacobsonco.com