



Boost Profitability With A Plant Efficiency Audit

Want to help your company meet current requirements as efficiently and productively as possible while also accommodating future expansion without the expense of new construction?

For many printers, a plant efficiency audit can help.

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Printers who allow their plants to operate at less than maximum efficiency are compromising their profitability—something to be avoided at all costs, given today's extremely narrow profit margins. Optimizing the efficiency of an existing facility may be easier than many company owners realize.

Through a plant efficiency audit, I help printers identify and find solutions for problem areas throughout their facility. The investment is relatively small compared to new construction or expansion, and the payback can be tremendous in terms of increased employee productivity and satisfaction, reduced waste and spoilage, and an enhanced ability to meet customer needs for consistent quality and on-time delivery—all of which help increase profits.

If you're facing any of the following situations, your organization would benefit from a plant efficiency audit:

Plant supervisors or employees have expressed concern about current problems in their departments, such as operational bottlenecks, delay in material flow, excessive waste, and anything else that squanders resources or reduces productivity.

Targeted processing times and scheduling are becoming more difficult to maintain and the company is missing shipping dates and not satisfying its commitments to customers.

Increased levels of waste and/or spoilage are occurring.

An inability to effectively serve emerging markets and/or new clients because of a lack of operational flexibility is emerging.

Increased employee turnover, which frequently can be traced to dissatisfaction with unfavorable or inefficient working conditions, is being experienced.

A plant efficiency audit is generally a three-to-four week process, implemented in a series of steps, including:

An on-site survey. In this initial phase, an assessment is made of the current plant layout and the overall production environment through visual observance and conversations with management and plant personnel.

It's important that the feedback of plant employees be included in this assessment. They're the ones on the "front lines" and their insights into what's working and what's not are invaluable.



Achieving consensus. In this phase, the consultant works with management to arrive at a consensus on which issues should be addressed, based on the problem areas identified in the survey. Things to consider are what needs to be done not only to satisfy existing requirements, but also to accommodate expanded volume or to serve new markets, based on the company's strategic business plan for the near future.

Consensus is usually gained within a week after the on-site visit. This phase provides an understanding of the scope of the problems that need to be resolved.

Presenting solutions. The process culminates in recommendations being made on how to resolve each specific issue being addressed. Solutions can range from simple to complex, and can include a host of actions, such as:

Making better use of space. This often entails using underutilized areas to accommodate a new, more efficient plant layout, or getting rid of unused equipment or excess inventory taking up valuable space that could be used more productively. Also considered is how a printer disposes of waste. In many companies, particularly those without centralized waste systems, have inordinate amounts of space being taken up by large waste containers.

Realigning one or more pieces of equipment. While moving a press is a major undertaking, repositioning smaller pieces of equipment or work areas—a cutter, a folder, or a bindery line, for instance—can often lead to a much more efficient workflow.

Reorganizing department adjacencies. How departments are organized within a plant has a major impact on workflow. Generally, areas to consider include the front end (customer conference rooms, Accounting, Sales, CSRs, general work areas, private offices, and miscellaneous—such things as main telephone/data lines, office supplies, break area, files, fax machines, mail/postage area); prepress (preflight area, private offices for supervisors, etc., and miscellaneous—supplies, files, ancillary support, etc.); production cell (presses, bindery and finishing; fulfillment; any value-added services areas, such as mailing center, etc); warehousing (storage for raw materials and finished goods); shipping/receiving (office, driver area, labeling, and ready-to-ship area); and waste cell (pneumatic or manual waste collect, compaction, etc).



Once solutions are presented, it's up to management to make the decision about carrying them out. By this point, most printers realize that, with a little analysis and planning, there's a lot of efficiency that can be gained within their four walls, and are quite anxious to move forward with implementation.

Barring the need to create additional room to accommodate a new press, a plant efficiency audit is a highly effective way for printers to avoid spending significant capital on bricks and mortar, yet significantly improve the performance of their plant. Printers should assess their plant's efficiency on a regular basis, much as they conduct regular equipment checks. More space can't be created where it doesn't exist, but it is possible to make changes that will ensure you are using the space you have at optimum efficiency.

The Bottom Line. . . focus on:

- Assessing current operations.
 - Identifying trouble spots.
 - Developing solutions.
 - Re-evaluating regularly.

Come Prepared

Doing the following before the start of a plant efficiency audit can help make the process as productive as possible:

- Have a drawing of your current plant layout available for the auditor.
- Advise your management team and shop floor personnel of the upcoming efficiency audit and tell them you'd value their input. Most employees will feel gratified that the company is taking action to improve operations and welcome the opportunity to participate in the process.
- Have department supervisors and managers jot down five trouble spots they'd like to have addressed.
- Define your company's plans for near-term equipment purchases and your strategic business plan for the next 12-18 months.