

Gardner Group Ltd | Case Study

“Integrated Logistics Centre Restructure at Gardner”

Gardner Aerospace’s activities include 5-axis machining, turning, sheet metal fabrication, nondestructive testing, surface treatments, final assembly and kitting. Gardner’s Integrated Logistics Centre (ILC) manages the delivery of the Group’s manufactured and bought-in products to its key customers, either delivered individually or as kits.

The Need: The 35,000 square foot ILC in Derby had evolved over time as new projects were introduced and volumes increased. The growth of the centre in this way created constraints on the business. There was a lack of room for storage for finished parts and media for kitting. This meant there was no room for expansion of new or existing customers. There was non-value added activities taking place and skills were not transferable between customers' kitting, assembly and quality assurance operations. Inefficiency of material flow around the shop floor and no overall conceptual plan existed guiding development. Standard operating procedures were also not in place for kitting and quality assurance.

In addition to the physical layout of the ILC, the facilities director Paul O'Gara also recognized that whilst the workforce was highly skilled and very flexible, there was a need for an organisational restructure to create more effective job roles and a better level of overall accountability.

The Approach

As part of the Supply Chain Excellence program running at Gardner, Paul asked Redthorn Ltd to intervene and advise on a project to restructure the layout of the ILC to integrate with an organisational restructure. Redthorn Ltd's practitioners initiated the project with the following objectives and deliverables:

- ▶ Develop, agree and deploy overall new layout, structure with improved flow.
- ▶ Integrate assembly and kitting operations by project on time and within budget.
- ▶ Create space for future expansion of the business and one that utilises the space as well as delivering safety and quality to people. Providing observations into potential cost and performance benefits of an improved layout.
- ▶ Establish effective operational performance post change.
- ▶ Maintain quality of service during reorganisation.
- ▶ Minimise logistical movements between production areas.
- ▶ Provide a shop window to attract new customers.
- ▶ Improved workflow, working environment that supports engagement and employee development.
- ▶ Safe and secure bonded facility.
- ▶ Communicate effectively with stakeholders during transfer.
- ▶ Fully operational policy deployment structure The planned approach was for Redthorn Ltd to perform an initial diagnostic of the ILC in order to create:
 - ▶ A current state map of the ILC.

The results of the diagnostic were then utilised in workshops with Project Leader of Manufacturing Tony Barlow and his team to develop future state concepts from which a final future state could be chosen. The concept was then communicated to the employees, a project implementation team created, risks understood and a risk management plan put in place. A detailed implementation plan was put together with methods in place to monitor progress and manage risks.

The Results

Through workshops and initial diagnostics with Redthorn Ltd, the ILC management team successfully created a conceptual future state top level flow of the main ILC operations (Goods-in, Inspection, Assembly, Kitting, Dispatch) and then worked to create a new value stream concept. Some of the ideas released by the value stream concept were to have distinct value streams by the customer.

Removal of non-value added activities (excess inspection) and maximise use of height without manual handling problems. Clear Quality Gates, logistics corridors (Inbound and Outbound), as well as Kanban / Supermarket Storage (FIFO) and additional space from walkways. Functional cross-skilling (Assembly Area, Kitting Area) and minimal inventories (just in time or controlled buffers) help to create more focused logistics team. Additional ideas include pull flow through the value stream and some fixed facilities (Carousels). Clear standards for footprints – colours, labelling, standards to maintain discipline in workplace organisation Redthorn Ltd then worked with the team to produce the finalised layout and implementation plan.



Case Study Summary

Industry

Aerospace

Client Overview

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