

Brief

For people seriously committed to product and process improvement

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Strategic Partners: The 2-5-4 Initiative

Few manufacturing jobs affect the productivity and output of every other department in an organization. But Supply Chain Manager, Kent Ruth, describes himself as the "cog in the wheel" with a dotted line reporting relationship to every peer professional at Die-Tech.

Recently hired by Die-Tech, Ruth supports department managers in their pursuit for continuous improvement. "Our sales and engineering staff are committed to reducing lead time for our customers and my role is to get our employees the supplies they need to consistently achieve this goal."

Ruth is pleased to note that lead-time has been reduced by 70%. "In the past, a prototype might take months to produce. Now it takes weeks. Our customer service advantage is our 2-5-4 initiative." Ruth details this initiative. "The Company is committed to finalize a quote within **two** days, produce a schematic within **five** days and present the client with the prototype within **four** weeks."

Ruth has an extensive background in just-in-time inventory management and describes his three major job responsibilities at Die-Tech as purchasing, allocations, and vendor relationships. Because parts manufactured at Die-Tech are so unique, there is little repetitive work. Therefore Ruth believes that large inventories of any specific metal are not practical.

"The department managers tell me what's coming, what we need, and it is my job to get the metal in the door in a timely manner. Suppliers often take as long as 12 weeks to ship material. When job-order to prototype can be completed in 5 weeks, we can't wait 12 weeks for material. The challenge of my job is to work ahead of engineering and sales. One way to reduce cycle-time, is in purchasing pre-plated metals.

Ruth met with his partner/vendors and together they negotiated contracts for supplying raw metal, which is already plated when it arrives at the Die-Tech plant. He cites one example of a vendor who supplies copper pre-



plated with tin, cut to the correct thickness, in five days instead of the usual five weeks.

"It's a win-win situation for us and our partners. Our vendors have offered to inventory raw metal for us. If we don't utilize the inventory within 60-90 days, we agreed to pay a stocking fee or bring it in house. But our process and schedule is working so well, that hasn't happened."

Ruth is not one to sit back and revel in his success with pre-plating. He talks freely about his next challenges, one of which is to reduce the time it takes to post-plate metal. Are your suppliers looking out for your best interest? How would reducing *your* lead-time affect your goals?

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