

Too Long Queues!

Common practice is often not common sense!

Production Queues are too long!

In your factory, how much of the time does an individual article spend waiting for its turn on a machine? In most factories more than 90% of production time is actually spent waiting in queues. More than 99% waiting time is not uncommon. Isn't that far too long – your customers are waiting for their product and you are making them wait far too long.

Are Queues a huge Opportunity?

If your production lead times are cut in half, what will happen? The 'touch-time' (the time an article spends being transformed) must remain the same. Only the queue time might be able to be cut. If today 90% of production time is queue, then cutting lead-time in half means queue time will be 'only' 80% of production time (the situation is even more dramatic if queue time today is 99%). 80% is still a lot of waiting time! It looks like production queues do represent a huge opportunity



Common Practice – “Big Batches” and “Resources must be Productive”

Despite the Toyota Production System and Lean Production common practice is still to produce in big batches to achieve lower costs especially if set-ups are costly or take a long time. Workers like big batches too – they are less hassle for them.

A batch of 100 units means every part waits 99% of the time – assuming that batches are maintained intact through the process. Passing single units on to the next process is possible, but a hassle for workers and control and production reporting also becomes more difficult and more of a hassle.

The belief that “a resource standing idle is a major waste” enhances the problem. The need for productivity justifies big batches and justifies even bigger batches, just to keep machines running and production cost low. Factories produce huge quantities of products not needed yet, while urgent items are stuck in the queue somewhere. Despite plenty of inventory customer service suffers.

Even the ‘Lean’ automotive industry suffers – witness the huge stock of unsold cars they had in the spring of 2009 at the height of the economic slow down. They did not need to produce these!

How Big are the Missed Opportunities?

Since the business goal is (usually) to make money then we have to measure the impact to the bottom line. Since the weakest link blocks making more money, then optimally exploiting the weakest link will have a big impact. Lets assume your business has a 10% profit margin and 50% of your cost is materials (variable cost). Of a 10% increase in sales, half will go straight to the bottom line. Your profit increases by more than 1/3rd! Is that not a huge impact?

VISTEM Can Support You

VISTEM consultants using the Theory of Constraints, their experience and your knowledge of your business help you find your weakest link – the constraint of your business (that thing that is blocking your organisation from achieving more of whatever your goal is. Once you know where or what the weakest link is the consultants can help you decide how to best exploit the weakest link together with the most difficult job – how to motivate the rest of your organisation to support your weakest link correctly.