

Rapid Priority Management (RPM) Meets Co-Product Yield and Lean Challenges for Sandvik



By Bob Turek

At-a-Glance

- Rapid Priority Management (RPM) targets through put and yield in a metals processor
- Benefits include upgrading production planner duties while freeing up management to manage
- Rapid Priority Management (RPM) is a key component of a lean program

You rarely hear “I love it when a plan comes together!” in a manufacturing plant. Does your plan come together 10-15% of the time? How would you like to confidently hit your plan 90% of the time? Can you imagine all the wasted time and effort that could be PREVENTED? Think about how your people interact and

who must make crucial communications inside and outside to suppliers and customers. Is the information you are communicating “too little, too late”?

Sandvik Materials Technology, Product Area Strip, in Benton Harbor, Michigan is part of Swedish based Sandvik Corporation. They supply high-quality hardened and tempered strip steel to meet a wide range of specifications and applications. Sandvik’s Spring Division reported outstanding success in managing their production planning with Rapid Priority Management (RPM); this made Sandvik Materials Technology, Product Area Strip, wonder if they could improve through put and yield related to their slitting, shaving and furnace operations with Rapid Priority Management (RPM).

Rapid Priority Management (RPM) is an enhancement to standard ERP that provides actionable warnings and information for effectively executing the plan in the short and intermediate term. RPM captures existing ERP data in a separate workspace (data warehouse), requires no data entry, and eliminates laborious pegging and look-up normally required to determine detail priorities and order/item status and impact. RPM is considered a low-impact form of “pull” or “lean” implementation.

Rapid Priority Management Targets Through Put and Yield

Anyone who slits different widths from the same coil knows how difficult it is to control yield. Sandvik Materials Technology, Product Area Strip, was looking for a solution in this area to complement their lean manufacturing program. The Sandvik Spring Division had achieved remarkable results with new business processes called Rapid Priority Management (RPM). They suggested that Product Area Strip speak with Systems Plus Corporation who specialize in implementing Rapid Priority Management (RPM) solutions.

Gary Schlager, General Manager of Product Area Strip Americas, invited Systems Plus to dinner in August 2005 to discuss how they could help Sandvik. Gary said that Systems Plus did not do the normal sales routine- they were very credible and understood operations. They admitted that they didn’t have a solution for their co-product issue at the time but that they would try to find one by “getting into the mind” of the production planner at Sandvik.

They agreed to work together and Systems Plus set out to fully understand what their production planner was doing. A few months later Sandvik was successfully performing Rapid Priority Management (RPM) business processes in several areas. Not only was Rapid Priority Management helping planning but it was being used by the sales team to update order status. The results have been astounding.

Key benefits are in the time, through put and yield areas. It used to take one week to schedule operations like slitting with uncertain yield expectations. Now it

takes 30 minutes; not only can multiple scenarios be considered but many changes to schedule can be handled. Gary Shlager said that “we could not have these people be a bottleneck. One person was doing excel spreadsheets all week long and now this can be done in minutes.” People have been able to be redeployed to perform more valuable work. Through put has improved dramatically and continues to improve as does yield.

Rapid Priority Management Complements Lean

Sandvik Corporation is working on a journey to become a complete lean manufacturing operation and Product Area Strip has bought off on a lean implementation. Gary Schlager says that they are almost done with a several month Tactical Implementation Plan in regard to an in-house manufacturing workshop. The next step is a 17 week Lean Manufacturing Transformation working with Sandvik “navigators” in which “flows” will be concentrated on. He uses the word “flow” a lot and said that without Rapid Priority Management (RPM) they would have had a problem in executing the plan which would have negatively influenced flows.

Flow simply means movement and availability of resources and material with minimal inventory based on the “pull” demand needs- ideally you want to determine the takt time, or drumbeat, of the customer demand, or your master schedule level, and then design preceding operations so that the same “beat” can occur throughout. Takt time designed into the operation is a key to enabling one piece pull throughout an entire manufacturing facility. Rapid Priority Management (RPM) enables pull and flow because it is preventive in nature; i.e., the inevitable problems that result from material availability can be foreseen and prevented thus allowing the flow to continue. Problem prevention vs. problem solving is a key value of Rapid Priority Management. Rapid Priority Management (RPM) is therefore a necessary component of a lean implementation. Flows mean everything in a manufacturing environment moving towards lean especially material flows.

Tom Arbut, Materials Manager, talked about how his role and that of the production scheduler has changed. Tom used to have to be involved in every detail of production and supplier management leaving little time to actually manage his people. With Rapid Priority Management (RPM) they have a short, 15 minute daily production meeting to go over the schedule and raw material shortages. The meeting results in assignments to communicate with customers if there are potential delays. Before Rapid Priority Management a production planner would phone a sales person as problems arose often with bad information that was disconnected from raw material availability.

In the near future Tom is planning to expand the functions of the production planner to manage raw materials and direct supplier contact. All of this is enabled

by Sandvik's Rapid Priority Management (RPM) solution because it includes raw material and purchased components in its decision making process.

Gary Schlager sums up Sandvik's success with Rapid Priority Management (RPM) this way:

“Regarding our materials department we badly needed software (computer tools) for us to manage the system and the system not manage us. We needed to free up our people, increase our productivity and improve our yields in production. RPM is doing this and more. RPM sets us up for success on our journey to Lean Manufacturing.”

*Bob Turek is a consultant and author whose publishing web site, www.lulu.com/workingtheplan, contains articles, books, and a blog about business topics including Rapid Priority Management (RPM). He wrote **Working the Plan: Closing the Planning and Execution Gap with Rapid Priority Management (RPM)**, the first book about Rapid Priority Management, winner of the APICS Innovation Award. He can be reached at 661-268-8808 and rturek23@aol.com. Systems Plus Corporation, a provider of Rapid Priority Management (RPM) solutions, can be accessed at www.systemspluscorp.com.*