



OEM-Supplier Development Helps D&S Free Up, Optimize Capacity

D&S Manufacturing, a Black River Falls custom metal fabricator and contract manufacturer, was facing issues common to many job shops where lots of different parts are made in small volumes – too much work in queue, too many high-priority orders, inventory backing up and the resulting late shipments.

So when D&S was nominated by one of their OEMs, Oshkosh Truck, to participate in the *OEM-Supplier Development Consortium*, they took advantage of the opportunity. The consortium is an innovative supplier development initiative that gives OEMs the chance to support key suppliers with assistance through WMEP in Lean and other improvement methods.

With the help of WMEP, D&S started by creating a *Value Stream Map* for a specific part. But unlike many VSMS, the D&S map pointed not to common problems on the shop floor, but to business processes that needed revision. “We found that many of the problems related to overbooking capacity,” said Mike Dougherty, D&S president. “We were taking in more work that we had the capacity to produce.”

An analysis showed that some products were being sold below cost, so they decided to stop making those parts. “We found we had low-margin products consuming large amounts of capacity, and that just didn’t make sense,” said Dougherty. “These products were not a good fit with the company’s core competencies and they were re-sourced in a collaborative effort with the customers.”

They also examined how they were releasing work orders to the floor. “There were way too many work orders in process,” said Dougherty, creating bottlenecks and confusion about priorities.

They identified operations that were “pacesetters,” setting the pace for the entire shop. Work orders were released to match the capacity of the pacesetting operations, rather than initial operations. This change “really cleared up all the clutter,” said Dougherty.

The results of D&S’s supplier development project include:

- **30% reduction in MCT**
- **26% reduction in late shipments**
- **32% reduction in customer defects**
- **50% reduction in the number of open work orders**

“Supplier development is a wonderful commitment on the part of our OEM customers to help us improve our processes,” said Dougherty. “WMEP’s help with the VSM was key because it clearly identified where the problems were.”

To learn more about WMEP’s supplier development solutions and how they can help you, *call WMEP today at 877-800-2124.*