

Cost Kaizen Cup Entry Form

TITLE	Gentani Minutes Reduction at PSC due to Layout Change for EPH Volume	TM NAMES & PS #	John Nixon TMMI-SCM, Michael Thomas TMMI-SCM, Nick McCullogh, Penske
LOCATION OF KAIZEN:	PSC - Princeton Separation Center	SHOP:	TMMI Supply Chain Mgmt
		GROUP/COST CTR:	Logistics

BEFORE KAIZEN - June 2016	AFTER KAIZEN - August 2016
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Description of Problem:
PSC Volume Changes to support EPH Launch & West ① Expansion, necessitated Major Lay-Out Change.

MR	Destination/Type	M3
IMPH	East Large	433
IMPK	East Vuteq	370
IMPF	East (North Dock)	109
IMPT	East Vuteq	50
962 Total M3 up		

MR	Destination/Type	M3
IMPW	West Tote	-414
IMPO	West Tote	-160
IMPO	West Tote	-88
-662 Total M3 down		

Picture/Sketch/Key Points: PSC Layout P06 June (13,506 M3). P08 Volume Change Pts (EPH)

South ① Main Lanes run North-South. North

Description of Kaizen:
PSC Layout Change to support EPH volume & West ① Expansion. PSC Labor (Cost Savings) was realized due to reduced average travel distance for Material Put-Away to Main Lanes (equivalent minus 2.5 TMs) and also for Material pull from Main Lane to verify zone prior to ship out (equivalent minus 1.5 TMs). Gentani minutes reduced by 1,906 work min per day (at .6348 cents per min) equates to \$1,210 cost reduction per day. Annualized for bal FY17 (7 months) = 141 days * \$1,210 per day = \$170.6K

Picture/Sketch/Key Points: PSC Layout P08 August (13,800 M3). Net: +300 M3 ⑤

West ④ Main Lanes run East-West. East

		Avg Travel Distance/move (ft)			Work Minutes / Day		
Gentani Elements	Before	After	Change	Before	After	Change	
Put-Away to ML	646	586	-61	9,382	8,592	-790	
ML depth	24	21	-3	934	845	-88	
Put-Away to WL	631	511	-121				
WL depth	24	20	-4	1,846	1,659	-187	
WL to ML	110	141	31				
Put-Away to BC	266	266	0				
BC depth	24	22	-2	368	285	-83	
BC to ML	752	482	-270				
MR Set	250	201	-49	4,969	4,217	-752	
Total				17,499	15,598	-1,901	

Summary of Costs Before Kaizen:

Monthly Standard Usage	x	Rate	=	Cost
Cost Category: Gentan-i:		Cost Per Unit:		
Labor	1,506,501.00	0.6348	=	\$ 956,326.83
			=	\$ -
			=	\$ -
Total Cost Before Kaizen				\$ 11,475,922.02 (A)

Summary of Costs After Kaizen:

Monthly Standard Usage	x	Rate	=	Cost
Cost Category: Gentan-i:		Cost Per Unit:		
Labor	1,468,481.00	0.6348	=	\$ 932,191.74
			=	\$ -
			=	\$ -
Total Cost After Kaizen				\$ 11,186,300.87 (B)
Kaizen Implementation Cost				= (C)

Implementation Date (mm/dd/yy):	09/01/16		
Cost Kaizen mainly affects:			
<input checked="" type="radio"/> Labour			
<input type="radio"/> Direct/Raw materials			
<input type="radio"/> Indirect Materials			
<input type="radio"/> Other:			
Cost Savings is a sustainable savings			
Cost kaizen yearly savings is	\$289,621	(A) - (B) = (D)	
Cost kaizen expense is	\$0	(C)	
Payback	-	(C) / (D)	

Yokoten (please check if answer is Yes)

Project solution can be applied to another location: ☐

Project solution has been applied to another location(s): ☐

Positively Impacts another KPI

☐ Quality KPI How: _____

☐ Environmental KPI How: _____

☐ Safety KPI How: _____

Company Engagement

☐ Entered in Bpaks Reference # _____

☒ Entered in Cost Red PDCA Project # 21077

Problem Solving Methods Used

☐ TBP

☐ Kaizen Circle

☐ JKK

Note: Please attach problem solving document(s)