

Heroic Effort: New Manufacturing Line Up and Running Ten Days After Project Approval!

How to Work with Your Suppliers to Minimize the Need for Heroes

by Tom Ingram, PMP

"Without Web Converting's contribution, this new product introduction would not have happened. We probably don't say that often enough."

Bill Johnson, Purchasing Manager

Upper management has just come up with a brilliant idea. They want to take their hot new commercial product to the consumer market. The company has no consumer product manufacturing facility, a very tight sales window and little experience with consumer products.

How would you proceed? How would you overcome the hurdles and get the new product to market? Following is the case study of how R.P. Inc. (not the company's real name) teamed up with Web Converting to get the job done.

Bill Johnson, Purchasing Manager for R.P. (not his real name) also offers his comments and advice to someone facing similar circumstances.

The overriding theme that emerges is that partnering with exceptional suppliers can produce far greater benefits than simple least-cost purchasing. What emerges from this case is a story about pulling together the right suppliers, the right internal team members,

getting everyone on track early on, and producing some heroic results.

Hopefully, the lessons from this case will prove useful to you if you face a similar project.

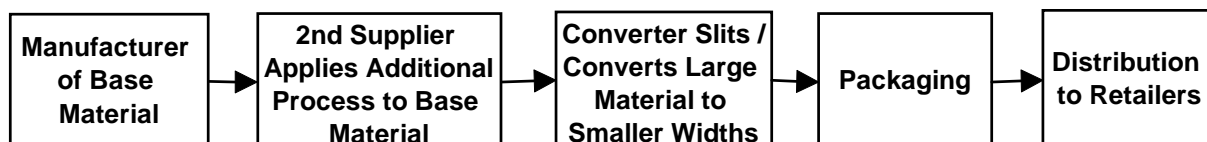
See Key Points Summary on Last Page

Problem: R.P. Inc. is a commercial markets company that wanted to enter the consumer market with one of its new products. The new offering was to be a retrofit product for an area of home improvement. R.P. planned to outsource the entire effort because it had no manufacturing capability for the new product.

R.P. was also faced with an extremely tight sales timeline because of the buying cycle of major retailers for seasonal items.

Solution: Web Converting, a provider of slitting / converting services for raw materials, teamed up with R.P. to address the problems. Following are some of the major steps.

Trial Run to Prove Concept: After studying the problem, Web Converting took both sample raw materials and R.P. personnel to its Boston plant. Web demonstrated a trial run of the key capability needed for the new product.





Up and Running in 10 Days: As soon as R.P. approved the project to go forward, Web Converting identified a machine in Indianapolis and relocated it to Dallas. Web's engineering group transported the machine, installed it and had the production line up and running in Dallas within 10 days.

Reporting and Controls: Risk is high any time a new venture is undertaken on a tight time frame. Web Converting provided several reporting and control capabilities to help R.P. control their risk, including:

- Traceability Reporting: Reporting on the transition from bulk raw material to finished goods to packaging to retailer.
- Yield from units of bulk raw material to units of finished raw material.
- Up-to-the-moment status of raw and finished goods inventory

Getting the Packaging Right: Bill Johnson describes some of the challenges in the packaging of the new product. "We had to create the original packaging without a true finished product. The package was strong, but not in the direction needed." Web Converting found a work-around to shore up the packaging for the initial inventory of packaging that R.P. had already purchased. This prevented wasted packaging, delays and retailer returns. Johnson continues, "Web Converting stabilized the packaging for us. We relayed their suggestions to the package manufacturer and the next shipment of packaging was correct. Web Converting's help didn't just work around the problem – it eliminated it!"

Administrative Tracking of Materials: "Web Converting's people worked out the tracking and administrative tracing for us on their own. We did have a couple of work arounds, but in the finished product there was no visible difference." This allowed R.P.'s people to concentrate on more important tasks while Web Converting handled the administrative tasks.

Labeling: Web converting also made machine modifications to use R.P.'s existing inventory of labels. This saved both wasted labels and time.

On Managing the Cost of Rework:

"In a fast-paced project like this, we had no idea what the cost of rework was. We trusted Web Converting to handle the cost and they never disappointed us. ***They never came back to us and said 'you owe us another million dollars for rework.'***"

Results: As mentioned above, Web Converting got the new manufacturing line up and running within 10 days of project approval. Web received the initial order for over 1,000,000 square feet of material and completed that order in 42 days.

"Web Converting did a lot of things beyond what we expected them to do"

Performing Above and beyond the call: Web Converting went far beyond the normal level of service expected from a slitting / converting supplier. Some examples include:

Custom Tooling: Arranging for custom tooling for machines to utilize existing labels and packaging.

Improved Labels: Designing better labeling to allow for normal variations in manufacture. Reduced rework and waste.

Making Up For Lost Time: Johnson describes the time crunch: "We were behind because of the tight timeframe for product development and other factors beyond our team's control. Web Converting actually helped us make up two-thirds of the time lost."

Web Converting manufactured the product in about 60% of the allotted time, and, Johnson concludes, "Through teamwork between all parties, we made up most of the lost time."



Helping the Sales Effort: Web Converting also sequenced the manufacturing run to help the sales activities. R.P. needed product availability for a very tight time window to meet distribution deadlines. This helped the sales people make up for lost time and have the best chance of closing orders during the narrow ordering window.

Tips for Those Facing Similar Situations: Along with Bill Johnson, we offer some suggestions for those faced with similar projects:

"You can win the occasional battle with heroics and brilliant tactics, but you must win the war based on the capabilities of the average soldier"

Admiral Lord Nelson

Get All Partners Involved Early: Through some heroic efforts, Web Converting was ready to manufacture in 10 days, but delays in other aspects of the project slowed things down. If you face a similar situation, remember that package design, package copy approval and label copy approval can slow you down. In this case, lead time for getting the packaging manufactured and shipped to Web Converting was also a factor.

Because this was R.P.'s first entry into consumer products, decisions took much longer than they might have in an established consumer product firm.

R.P. had contracted for labels and packaging from another source. If R.P. had involved Web Converting in designing the packaging material and product label, some of the delays and cost might have been avoided.

Packaging and label delays ultimately caused R.P. to miss the initial window for sales to major retailers. Though the product has gone on to be successful, a few more

things done right might have made the difference.

With the cost pressures faced by all businesses in today's market, it is tempting to treat suppliers as one more vendor from which to extract price concessions. This case study suggests that treating competent, expert suppliers as partners can actually produce superior cost savings in the long run.

"Web Converting understood the complexity."

Tips for Effective Project Teams (Composed of both Internal and External People): Johnson explains some of the team dynamics that made things work. "Everybody spoke up and contributed, even at the risk of embarrassment. This included engineering, the production supervisor, machine operators, administrative people and Web Converting. Any successful project requires teamwork and participation across the organization's boundaries. This includes both internal department boundaries and external boundaries to suppliers. This project is a good example of the results achieved through effective teamwork."

Some New Product Development Tips: "If at all possible, allocate sufficient time for the new product development effort," Johnson observes. "We made some correct assumptions and some incorrect assumptions. The delays had a domino effect that put us behind."

"There are certain things people don't want to face, but you have to face them. Like it or not, you will have to deal with them. It is best to prepare for both the worst case and the best case."

"Also, if you can find the time, get a true, finished product to design the packaging around. That would have saved us a great deal of time and cost."



Key Points Summary

- Use a trial run to prove concept and reduce risk if possible.
- The right reporting and controls can also reduce risk and may be available at almost no additional cost.
- Get the packaging right – the delays can hurt.
- If your supplier can handle the administrative tracking of materials, you are free to work on more important things.
- Get the labeling right – the delays can hurt.
- If you can trust your supplier to manage the cost of rework, you can concentrate on more important things.
- Custom tooling may be needed.
- Making up for lost time: It may be possible, with the right team.
- You may have some opportunities to help the sales effort.
- Get all partners involved early!
- Treating competent, expert suppliers as partners can actually produce better cost savings than simple, least-cost purchasing.
- Effective project team tips: Have everyone speak up and contribute. Teamwork and participation will be required across the organization's boundaries. This includes both internal department boundaries and external boundaries to suppliers.
- New product development tips: If it all possible, allocate sufficient time for the new product development effort. Best to prepare for both the worst case and the best case. Get a true, finished product to design the packaging around.



For more information,
contact J. C. Cardone 972-
291-0932, extension 110

About this Case Study...

The research for this paper has included multiple interviews and sources of data to help provide a balanced picture and confirm key assertions. It is written as a teaching and communication tool and is not intended to fully describe exact details or dialog. Contact Tom Ingram & Associates, Inc. if you have questions about this case. This paper has been prepared for a fee. **You are free to duplicate and redistribute this paper**, provided you distribute it as a whole, with credit to Tom Ingram & Associates, Inc.

**TOM INGRAM &
ASSOCIATES, Inc.**

2031 Chestnut Rd.
Carrollton, TX 75007
972-394-5736
tom@tomingraminc.com
www.tomingraminc.com

Since 1983, Tom Ingram and his project teams have delivered over \$15 million in project contracts substantially on time, on budget and as promised. These projects have generated some **\$55 million in measured benefits for clients**. Ingram has published two dozen articles and newsletters. His book, *How to Turn Computer Problems into Competitive Advantage*, was published by the Project Management Institute in 1998. This case study is part of Ingram's ongoing efforts to recognize, promote and teach about *High Impact Projects*.