

Title: Rassau Car Wash Costs



GREEN BELT TEAM:

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PROJECT CHAMPION: MARK T

PROCESS OWNER: GAVIN H

MASTER BLACK BELT: MARK T

ORGANIZATION: ENERGIZER GAC

PROJECT LOCATION: RASSAU

6 Panel Report



Rassau GAC

Plant: Rassau

Customer: INTERNAL

AA

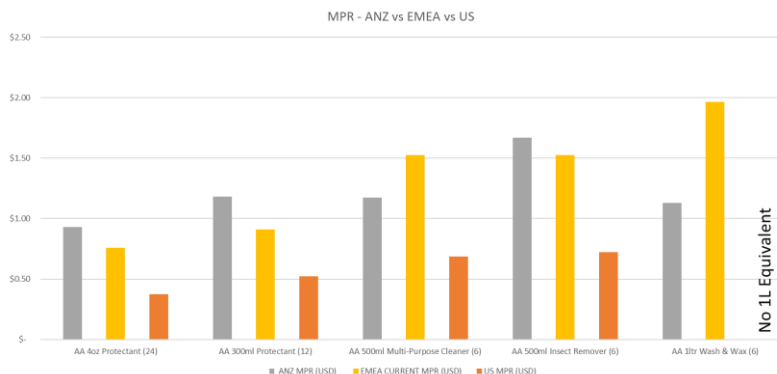
Car Wash MPR

Business Reason



- ✓ High manufacturing total cost impacts gross margin when compared to other sources of manufacture
- ✓
- ✓

Baseline Metrics

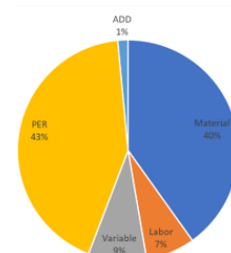


Car Wash Analysis

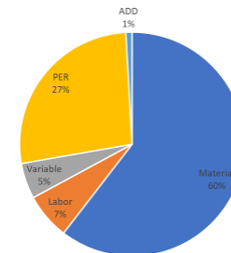
Overhead as a % of Product Cost

Car Wash: 40-45%

Protectants: 25-30%



AA 500ml Car Wash



AA 300ml Protectant

VOICE OF THE CUSTOMER: Plant manager is concerned that car wash costs make the operation in Rassau uncompetitive when compared with TPMs or other energizer facilities.

CTQ STATEMENT (Customer Requirement): Improve gross margin and therefore make the plant competitive.

COST OF POOR Margin: loss of business, loss of reputation.

PROBLEM STATEMENT, SCOPE, AND GOAL:

Project Scope: Car Wash Products

Car Wash products are between 40-50% more expensive than competitors' products currently, where overhead costs account for 46% of the market profit reporting cost (MPR).

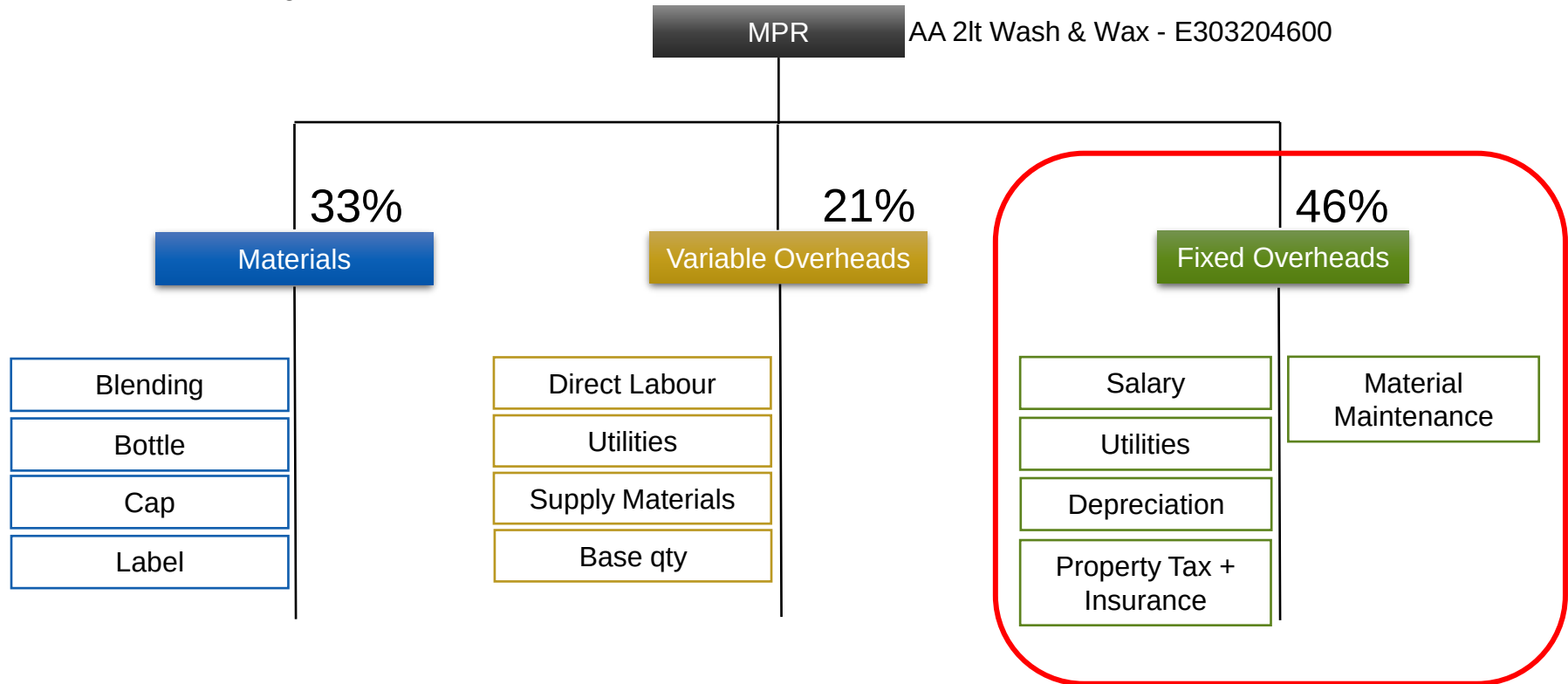
The goal of this project is to understand the drivers of overhead; has it been calculated correctly and is the manufacturing method efficient. This will allow Energizer to improve margins & operating efficiency to be more competitive.

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Y = f (x) Pre Work Scoping

VOC – Plant manager is concerned that car wash costs make the operation in Rassau uncompetitive when compared with TPMs or other energizer facilities.

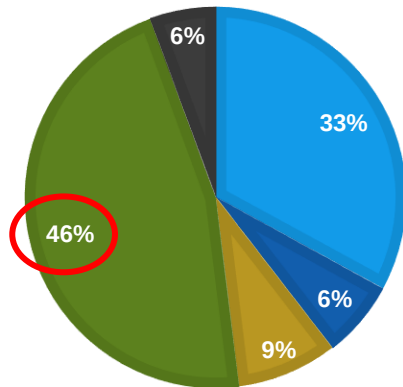


6 Panel Report



Comparison to US Equivalent

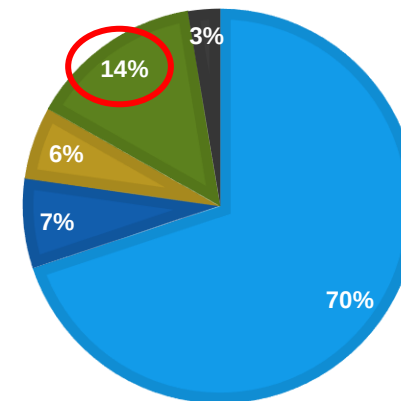
UK: AA 2L WASH & WAX



■ Materials ■ Direct Labour ■ Variable ■ Period ■ Additives

AA 2lt Wash & Wax - E303204600

US : AA CAR WASH 4/64 FO



■ Materials ■ Direct Labour ■ Variable ■ Period ■ Additives

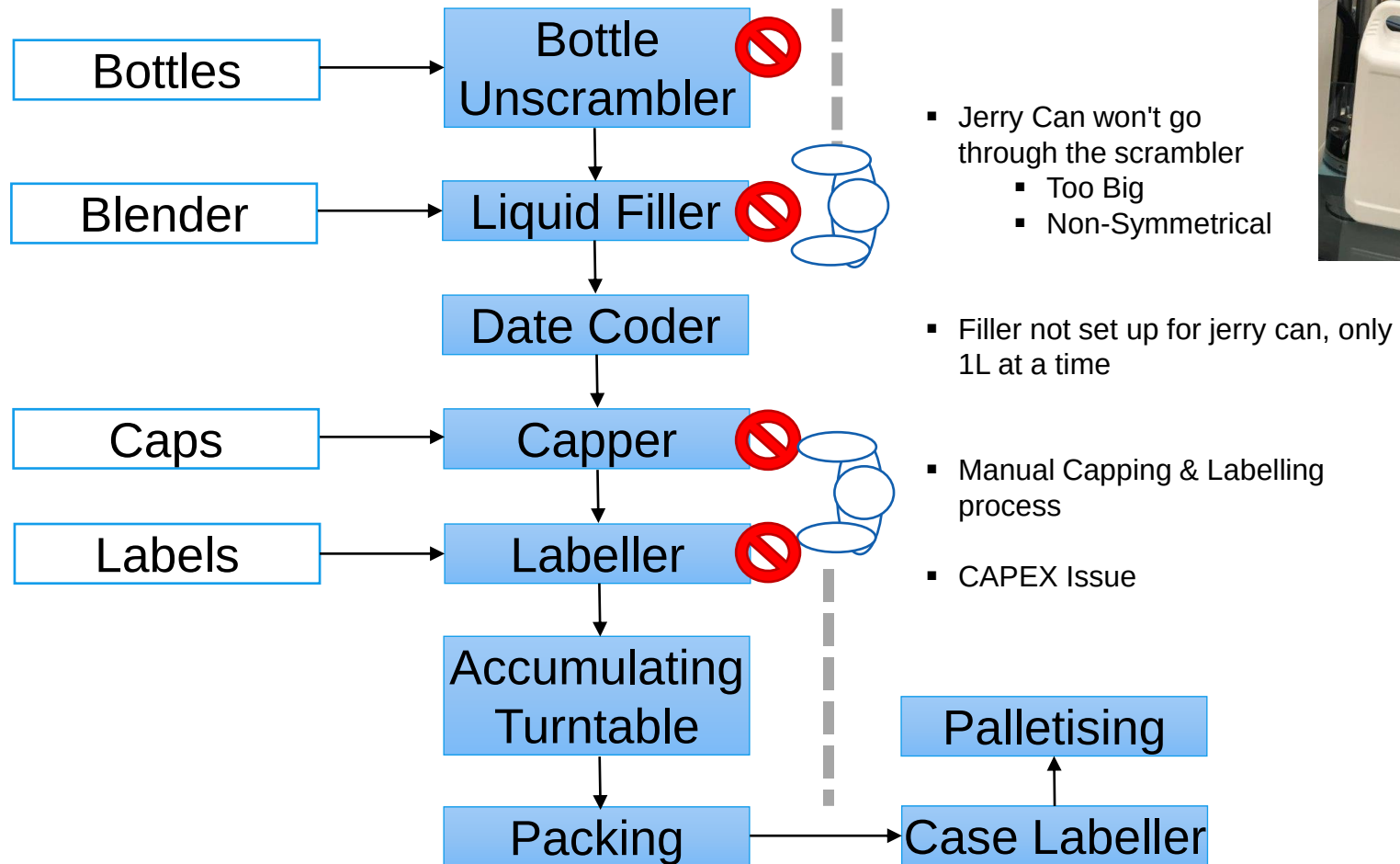
	UK	US
Base qty	1.3k	13.9k
Manning's	2	3

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Current Process Flow - AA 2lt Wash & Wax - E303204600

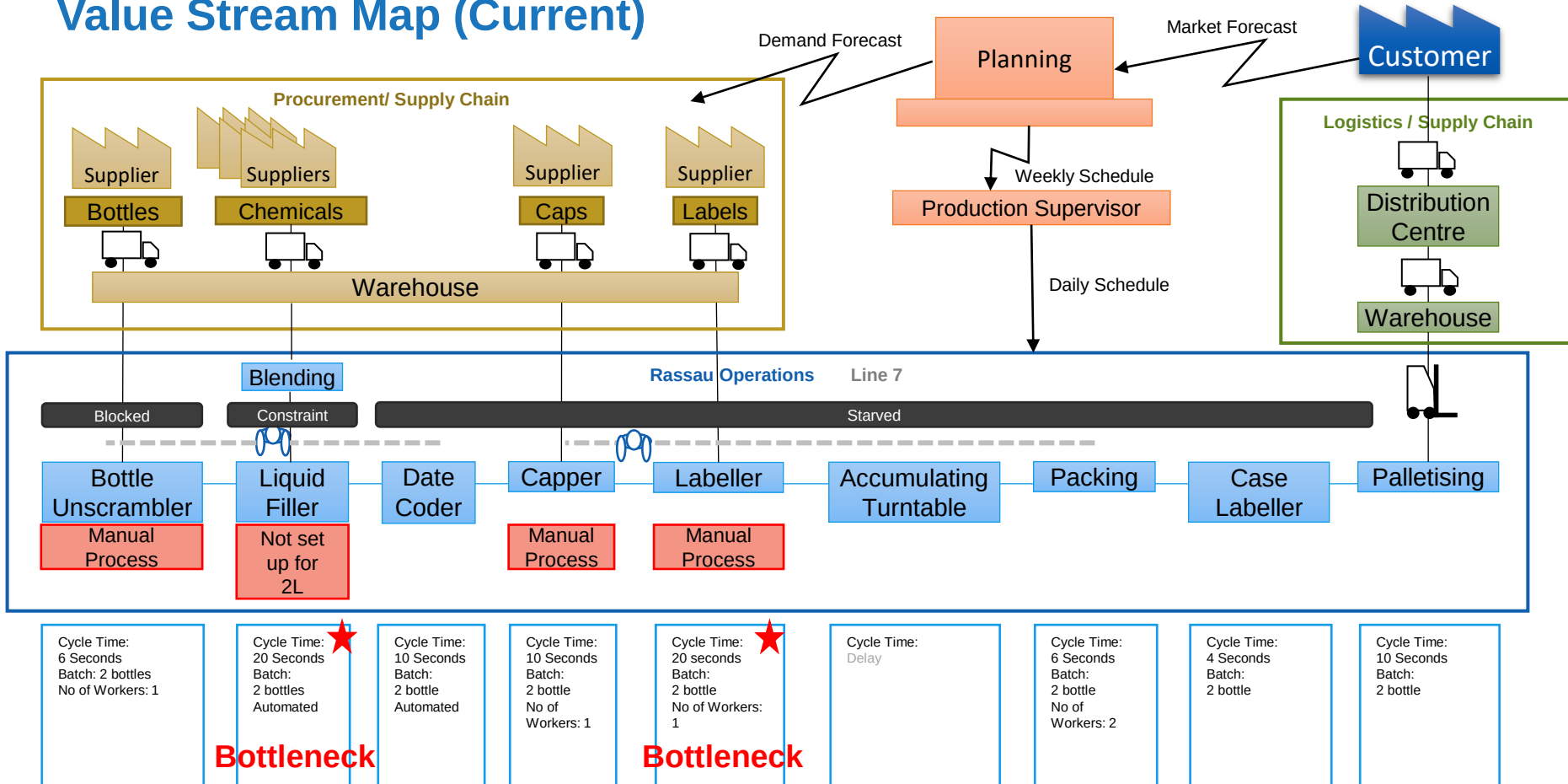
Line 7



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Value Stream Map (Current)



100% Cyclic Capacity

Total Lead Time: 36 seconds /cycle (2 bottles)
Output / Shift: 1.66 cycles /min, 750 cycles /shift = 1500 bottles
Shift Duration: 7.5 hours

Routing Data (RD): 672 units per shift, 1.49 units per minute, 2x labour

SAP Data (SD): 1080 units per shift, 2x labour

Routing or SAP/ Cyclic Capacity: 45% Line Efficiency (RD), 72% Line Efficiency (SD)

Not Included in Scope:

- Material Handling Issues
- Wait Times (Are staff being fully utilised? Can we reduce the number of workers on the line?)

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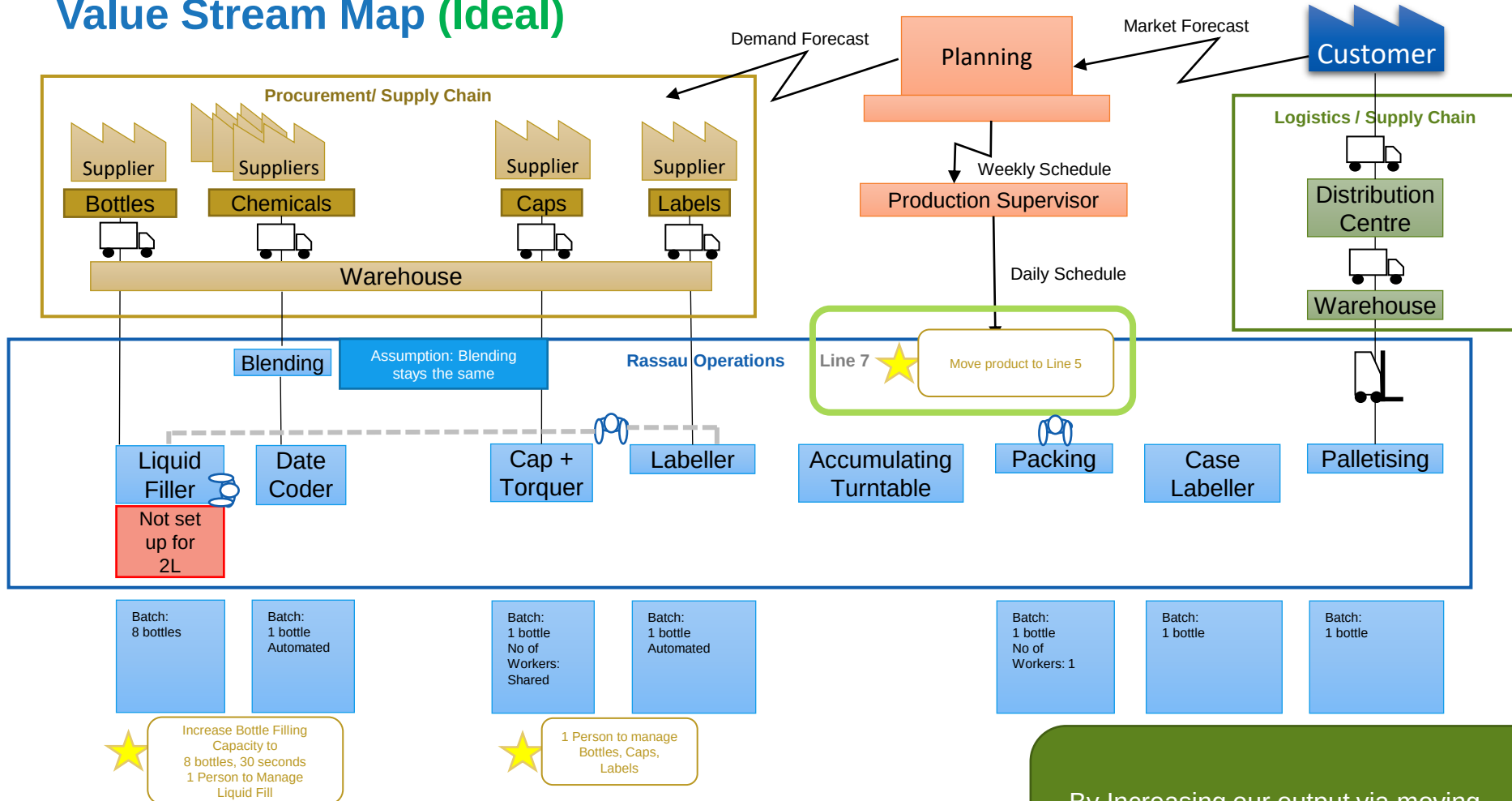
PICK Chart



6 Panel Report



Value Stream Map (Ideal)



Ideal:

Output / Shift: 8 units/minute, 3600 units /shift
Line Efficiency compared to Cycle Capacity of Line 7: 240%
Shift Duration: 7.5 hours

Current:

Routing Data (RD): 672 units per shift, 1.49 units per minute, 2x labour
SAP Data (SD): 1080 units per shift, 2x labour
Routing or SAP/ Cyclic Capacity: 45% Line Efficiency (RD), 72% Line Efficiency (SD)

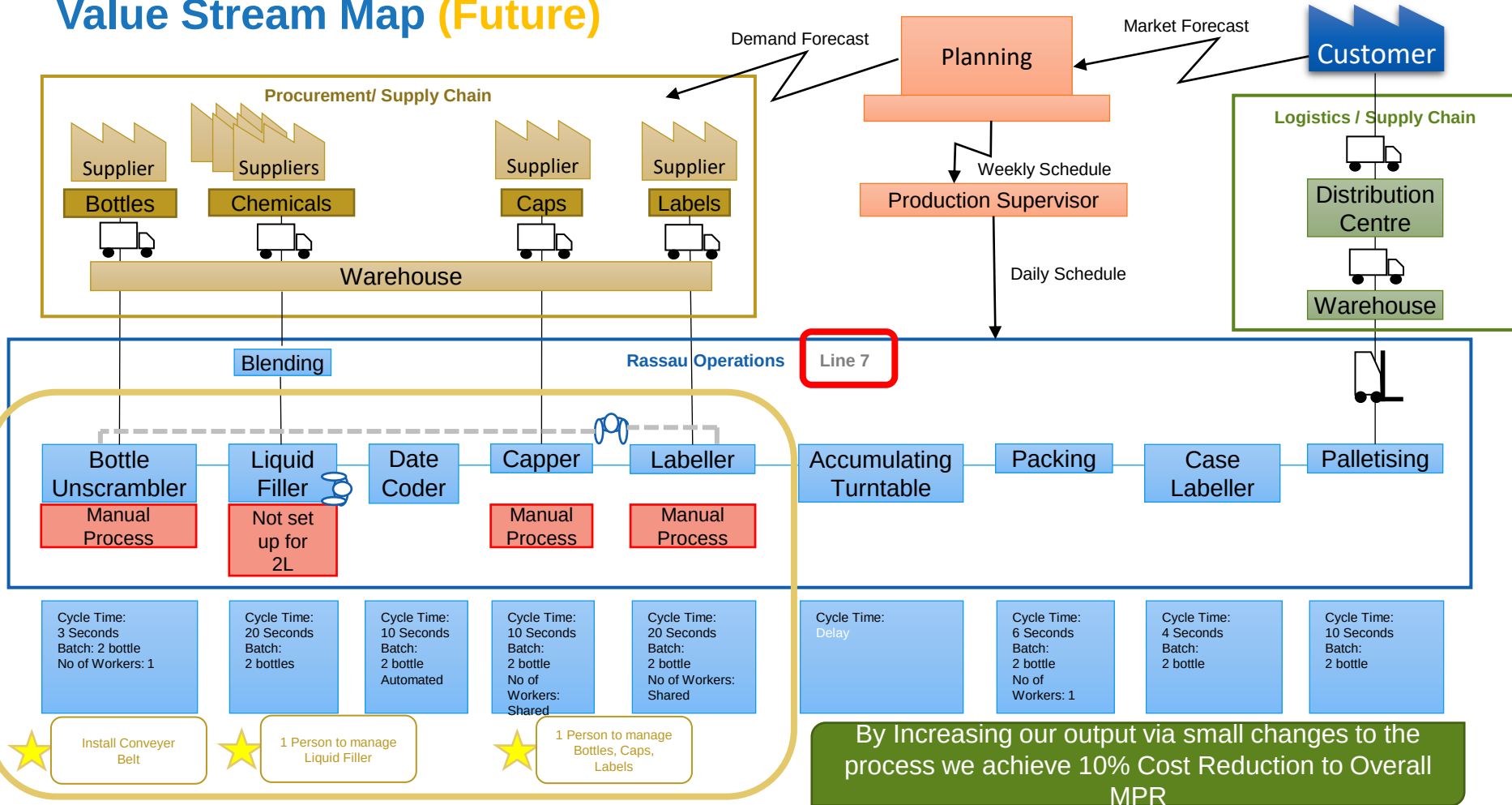
By Increasing our output via moving this product to Line 5 we achieve 37% Cost Reduction to Overall MPR

6 Panel Report



D M A I V C R

Value Stream Map (Future)



Future:

Total Lead Time: 33 seconds /cycle (2 bottles)
 Output / Shift: 1.82 cycles /min, 818 cycles /shift = 1636 bottles
 Shift Duration: 7.5 hours, 2x labour

Current:

Routing Data (RD): 672 units per shift, 1.49 units per minute, 2x labour
 SAP Data (SD): 1080 units per shift, 2x labour
 Routing or SAP/ Cyclic Capacity: 45% Line Efficiency (RD), 72% Line Efficiency (SD)

Notes

Changes in Gold are not enough to make this Car Wash Product competitive.
 Investment is required to move this product to another line.
 This option is a short term improvement 'Quick Win'

6 Panel Report



Control

Monthly Process

Review key SKUs:

- Checking routing actuals & costings versus budget

Yearly Process

Review key SKUs:

- Checking routing actuals & costings
- Make changes if applicable
 - Starts December

Routing and ABP Process
Starts February/ March

Idea: NPD Routings & Costings Check
1 year after launch
Feeds into ABP changes

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- Process Control – Throughput to Potential (Actual vs Routings)
 - Use principles to monitor line efficiency and performance.
 - Review during Production meetings
 - If below 95%, investigate further (Maintenance & Engineering)



Production Summary

[Week Commencing](#)

	Monday				Tuesday				Wednesday				Thursday				Friday				Throughput to Potential	Total Planned	Total Actual
	SKU Count	Planned Qty	Actual Qty	£ Abs	SKU Count	Planned Qty	Actual Qty	£ Abs	SKU Count	Planned Qty	Actual Qty	£ Abs	SKU Count	Planned Qty	Actual Qty	£ Abs	SKU Count	Planned Qty	Actual Qty	£ Abs			
Line 1	-	-	-	£ -	-	-	-	£ -	-	-	-	£ -	-	-	-	£ -	-	-	-	£ -	0%	-	-
Line 2	-	-	-	£ -	-	-	-	£ -	-	-	-	£ -	-	-	-	£ -	-	-	-	£ -	0%	-	-
Line 3	-	-	-	£ -	-	-	-	£ -	-	-	-	£ -	-	-	-	£ -	-	-	-	£ -	0%	-	-
Line 4	-	-	-	£ -	-	-	-	£ -	-	-	-	£ -	-	-	-	£ -	-	-	-	£ -	0%	-	-
Line 5	-	-	-	£ -	-	-	-	£ -	-	-	-	£ -	-	-	-	£ -	-	-	-	£ -	0%	-	-
Line 6	-	-	-	£ -	-	-	-	£ -	-	-	-	£ -	-	-	-	£ -	-	-	-	£ -	0%	-	-
Line 7	-	-	-	£ -	-	-	-	£ -	-	-	-	£ -	-	-	-	£ -	-	-	-	£ -	0%	-	-
Handwork	-	-	-	£ -	-	-	-	£ -	-	-	-	£ -	-	-	-	£ -	-	-	-	£ -	0%	-	-
Total	-	-	-	£ -	-	-	-	£ -	-	-	-	£ -	-	-	-	£ -	-	-	-	£ -		-	-
Delta	-	-	-	£ -	-	-	-	£ -	-	-	-	£ -	-	-	-	£ -	-	-	-	£ -		-	-

Week Total

Target

Actual

£ Abs

SAP MB51

Delta V Actual

Through Put to Potential

[Production Schedule](#)
[Action Tracker](#)

	Yearly	Daily
Variable		
Fixed		
Day Yr		