



## 'Lean' initiatives give CRG a strong base for future growth

AFTER little more than a year, Clean Room Garments' competitive manufacturing ('Lean') initiatives already are paying off – both for the company and our customers, says General Manager, Paul Bradley.

Introduced originally to keep us competitive in the marketplace and to reduce our costs, we are now using better and more efficient systems and processes that not only work for us today, they will help us become more competitive in the future and ensure we are able to achieve a "Rolls Royce" service at the lowest cost of production.

"In today's very competitive environment, we needed to reduce our running and production costs - but by using a combination of new tools and systems, we already are hitting and achieving difficult targets," says Mike (Operations Manager). "In addition, we are upskilling our staff and giving the company a real marketplace advantage when it comes to product and service quality and time-to-market delivery."



By using Quality Management tools that are widely available and well-accepted in the manufacturing and services industries, CRG has been able to streamline processes, already achieving 70 per cent efficiencies in the garment folding rate and also cutting overtime to a bare minimum without negatively impacting customers.



"Our new 24/48 system gives us a valuable buffer between the time customers expect their deliveries and the time it takes us to make everything ready for them. This is to cover problems outside our control, like the occasional equipment breakdown," Celli Clew (Lean Manager) explains. "If the customer requires delivery on Wednesday, then the garments need to be packed by Monday. If sterile, they need to be ready by the Friday before."

"It has taken us some time to achieve this, but by assessing each step in our processes and removing the 'non-value' steps within our old systems, we have made great progress." Says Steve Ewing (Melbourne Production Manager)

By analysing processing times and standardising systems across the company premises, CRG staff now know their acceptable performance limits, their set delivery targets and can also measure their own performance levels on a daily basis.

In addition, our staff also have tools to help them recognise problems and to identify solutions. "We have daily meetings – just 10 or 15 minutes each morning - to discuss each previous day's results using 'visual production boards' in each of the business areas.

"Each person on staff has his or her own targets to meet and using the graphs on the boards, they can see how they're progressing on a daily basis." Over the past three months, the daily graphs have trended upwards "quite noticeably".

"Among other benefits, our feedback from staff is that they feel more in charge of their own work space, more motivated, more empowered and encouraged to be competitive with their workmates," says Celli.

"Staff are interested in their results and ask questions about how they can improve further. They also come up with ideas to solve issues and improve things not only for themselves but for others.

"There's also a great sense of mateship, with people pulling together and – because everyone's measured both personally and in their own group - in the rare instances where someone is slipping behind, the teams tend to quietly pull the individuals into line themselves."

On a regular basis, these production board results also are used in 'second level' management reports made available to the senior teams in Victoria and New South Wales for input into how to solve any problems or issues that have arisen.

"It's made CRG a better place to work and because we've been able to give our staff CMI training in these new procedures, we now have a number who have qualifications in project management and other valuable business skills including experience in root cause analysis and how to establish a 'Five S environment'." Overall, the company plans Five S upskilling for staff in as many as 12 modules by the end of 2010 covering warehousing, manufacturing, production, clean sorting and clean room procedures in areas not already exposed, including the Seven Hills facility.

Successes already are being celebrated. To celebrate our improved results, particularly over the past three months our Artarmon staff were invited to a staff barbeque and in Carrum Downs staff were taken out to dinner.

**The power of Root Cause Analysis** - When problems arise, sometimes the initial response is to charge in with a 'solution' that either fails or causes other, worse issues. By using Root Cause Analysis (RCA), CRG's trained staff responsible for fixing any problems don't only look at what has gone wrong; they also search for the problem's underlying issues and causes.

As a business process improvement tool, RCA seeks out unnecessary constraints as well as inadequate controls and looks for unrecognised hazards and broken or missing barriers in safety and risk management.

It also helps CRG target CAPA (corrective and preventive action) efforts at the points of most leverage and finds the core issues that contribute to even the toughest problems.