

Supply Chain – Cost reduction via Lean Six Sigma

Reducing the cost of Physical Selection Claims from the supply of components

The Challenge

Our client, a parts distribution centre for the Renault-Nissan dealer network, wanted to explore Lean Six Sigma (LSS) as a complement to its pre-existing continuous improvement strategy.

They therefore asked us to deliver Lean Six Sigma Green Belt Training and to coach/mentor their operations team as they executed their first project.

What our clients say about us

“Renault-Nissan Consulting’s practical approach to improving a process was refreshing; they were not tied up in ‘one method is best’ and teach an open mind to explore what is the best solution, not just the best fit to a pre-ordained improvement technique.

They certainly live up to their “Sharing the Experience” strap line, and bring the capability to deliver truly sustainable results.”

Bruce Taylor, Senior Manager – Logistics & Warehousing

The Solution

- Starting with a training needs and gap analysis assessment of the nominated candidates, a Lean Six Sigma (LSS) training programme at Green Belt level was developed and delivered.
- Using the DMAIC framework, the programme covered:
 - Voice of the customer
 - Project management
 - Basic statistics – including process capability measurement
 - Problem analysis
 - Improvement solution generation and implementation
 - Implementation of control systems to sustain the benefits
- The team identified an urgent business issue in the level of physical selection claims – where parts are damaged, do not arrive or are incorrect on delivery to dealers.
- Through on-going support and coaching (complementing the training) the progress of the team and its use of the LSS toolset was guided to ensure a successful project conclusion.

The Results

- ✓ **Lean Six Sigma training programme complemented and reinforced the pre-existing continuous improvement strategy**
- ✓ **Significant benefits, associated with reduced physical selection claims, identified: >£50K pa**
- ✓ **Team capability to execute complex project enhanced via the DMAIC framework**

Key Success

- **Reduction in real cash claims for physical selection claims from the Renault-Nissan dealer network arising from parts damaged or shipped in error**
- **Increased capability and awareness within the operations team to critically analyse processes, identify waste and implement solutions**