

FactoryPhysics®

Know the Laws. Use the Tools. Profit.

Major Medical Equipment Company Advances Performance and Improves Profitability using Factory Physics® Framework and Tools

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The Vice President of Manufacturing for a division of a leading multi-billion dollar Medical Equipment Company was looking for a way to take his organization to the next level of performance. This case study describes that path and the company's subsequent world-wide adoption of Factory Physics Inc.'s LeanPhysics implementation with resultant millions of dollars of savings and improved competitive position.

LeanPhysics implementations are based on Factory Physics® principles described in the book "Factory Physics" though reading the book alone is not sufficient for managers trying to improve their operations. LeanPhysics Support Tools together with appropriate implementation tools and techniques developed by Factory Physics, Inc. were key factors in getting the organization rapidly up the learning curve and quickly realizing performance improvements.

The Vice President's division was recognized within the company for being at the leading edge of performance improvement and the company is widely known for having a competitive edge in operations. This division had absorbed many productivity improvement initiatives over the previous years such as Theory of Constraints, Lean Manufacturing and Six Sigma. The problem that the company now faced was that there were too many gaps between how all the initiatives fit together and no clear, coherent structure for understanding which method was appropriate when. A major benefit of the LeanPhysics approach was the excellent clarity it provided in prioritizing where to improve. In addition, the LeanPhysics approach provided *predictive* capability allowing the company to quantitatively determine what benefits would be gained through implementation of improvements.

Factory Physics, Inc. engaged with the division in 2004 for an initial assessment at one plant. The Vice President and one of his Directors attended the initial assessment and through intense questioning and observation, determined that Factory Physics® principles and a LeanPhysics implementation should indeed provide competitive advantage for their operations. The results of the initial assessment were then presented at the division wide operations management review in January of 2005. Also in attendance at the management review was the Vice President of Manufacturing Strategy for the entire company. The upshot was that the approach detailed through the initial assessment resulted in a global effort to train personnel and implement the LeanPhysics approach.

Five target projects were chosen in Europe and two in the US to serve as high potential projects for training personnel. Additionally, other less mission critical sites were selected and over 20 candidates were chosen to become Factory Physicists. The title “Factory Physicist” is a Factory Physics, Inc. certification for operations professionals who have shown mastery of Factory Physics principles *and* have demonstrated significant results through application of the LeanPhysics tools and techniques to company operations.

With plant visits to the high potential sites by FPI personnel and quarterly review sessions with the remainder of the candidate Factory Physicists, the company has incorporated the Lean Physics methodology into its culture. The initiative is projected to provide a 200-300% return on investment with many of the improvements being realized within the first six months and millions of dollars in increased profitability projected over the coming years. Examples of results provided include:

- Increased throughput of 30% at one operation
- Major avoidance of capital expenditures through increased throughput from high demand facilities
- Reduction in inventory investment
- Clarification of best applications for Lean and Six Sigma projects

In summary, the LeanPhysics implementation provided a framework and the tools to enable the company’s operations professionals to build on their years of experience and advance the control, optimization and profitability of their processes to the highest levels possible.

For more information about Factory Physics principles and applications, visit our websites at www.factoryphysics.com or www.leanphysics.com or contact:

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