

# Case study five star tools

Business



Five Star Tools, a tools manufacturer is faced with production constraints. Overview of the Situation Focuses on various ways to loosen constraints Demonstrates how to identify which products are most profitable and which products are less profitable when confronted with constraints Makes the point that large profits that may be lost if a company does not adequately deal with constraints Issues Addressed 1.

What is the situation facing Five Star Tools? 2.

What steps can be taken to loosen the constraint in coating and sharpening? . Inch product should be emphasized (CHIC Chisel or DODD Chisel) given the constraint in coating and sharpening? 4. Focusing only on the Model CHIC and Model DODD chisels, what would be the benefit of gaining one more hour of production time in coating and sharpening? . What would be the incremental profit associated with adding an inspection station before coating and sharpening? Suggested Resolution Neat is the decision facing Five Star Tools? Five Star Tools has a bottleneck in its coating and sharpening operation leading to missed deadlines on orders from portent customers. What steps can be taken to loosen the constraint in coasting and sharpening?

A number of alternatives exist, they may include: Cross training Norse in other departments so they can help out in coating and sharpening Adding an inspection station before coating and sharpening so valuable time is not Nested working on defective units Outsourcing some of the work that would normally be performed internally by coating and sharpening Putting buffer inventory before coating and sharpening to make sure the department does

not run UT of items to work on Reengineering the coating and sharpening operation to make it more efficient - Purchase additional equipment for the coating and sharpening operation - Hire additional workers for the coating and sharpening operation - Train the workers in the coating and sharpening department so they can perform their Jobs more efficiently