

Company examples essay



**ASSIGN
BUSTER**

Anderson Machining Service Inc is one of the providers of Harley-Davidson which supplies it with the “ engine balance shafts”. For Anderson Inc to be on the list of Harley-Davidson’s suppliers it had to make major changes in its processes which it had been using for years. The company intended to use the JIT system to manufacture entire parts using a single arrangement. Then these products are shipped on the prescribed day and time. Previously Anderson Machining Service Inc was using the Batch Processing system, in this if one thing went wrong then everything goes wrong, it’s kind of like a domino affect.

For the previous batch system Anderson had to operate a total of three shifts in one day. But now with the help of JIT system and state of the art machinery the parts are made very quickly and can be shipped when asked for. So now there are only two shifts required due to just-in-time and from a total of nine operators which were needed in the previous batch system now there is a need for only two. Moreover we can also see that the wastage and production cost has decreased for the company. As Harley- Davidson wants to be updated to the current status, Anderson needed flexibility which it couldn’t get from its previous batch processing system. Example#2:

American Leather is a manufacture that makes leather furniture.

Previously it was operating manually but now because of the JIT system it can deliver its product within 30 days. Because of its new system its sales were seen to increase to about \$40 million (2001) with only 300 people in its workforce. Because of the JIT system the company could produce millions of unique designs. The founder of the company felt that the furniture industry wasn’t reaping the benefit of technology and felt that they could use this fact

to their advantage. Hence the American Leather embraced the JIT system when the rest of the furniture company was using the traditional way of doing thing which took longer to deliver the product. So the head of the company worked in different places where the mechanization and JIT method was being used.

And hence he applied it to his business where it was feasible to do so. Chandra, the founder of the company says that even now the competitors are trying to automate the traditional means of working. He feels that the JIT system was a great step for him as it not only lead to the decreasing of delivery time and batch amount but also accelerated the quality of products made. By applying the JIT system the company has decreased its work in progress to about one to two days. So by inculcating JIT and automation in its production process American Leather is making a lot of progress.

Example#3: Freightliner LLC is the manufacturer of trucks. Freightliner wanted to reduce its cost but couldn't do that with the present way the company was doing things. The print that Freightliner was using for its publications and manuals was offset. And the cost for establishing this sort of arrangement was high as well. So in order to cut down on cost they had to print in large amounts.

So the stockpile of the material that was in print was required to be finished before they could commence the printing of other materials. So they are facing quite a situation, they needed to print in large numbers if they were to decrease their cost and generate some profits and even if they were using this way of printing they had to finish to previous stock in order to prevent

wastage which in turn would reduce the profit. This previous system of doing printing didn't allow the printing of low volume text as the cost would be very high. So in the traditional method Freightliner publication made the documentations and then sends it to different organizations which would forward the data to contract-out printing vendors. If Freightliner wanted to get a lower volume printed it would cost \$300 to \$400 for each manual printed. This process was using excessive manpower and was very time consuming so Freightliner knew it needed to try something dissimilar.

So Freightliner went to Xerox asking for consultation. After a thorough study of the company Xerox recommended a JIT system for Freightliner. The inter-dependent system led to the reduction in the cycle time for the company along with the cost. The new system led to increase in speed and flexibility for the company. So by improving the production processes Freightliner now had more print assets and could make the documentation when demanded. In no time the company which previously had only a copying centre has now transformed into a printing centre.

In the JIT documentation process the focus is on the order rather than on making surplus manuals to shrink the cost faced by the company. There is no need to wait for the previous stock to finish in order to commence the printing of an updated edition of the guidebook. Hence because of this change to the JIT system there was a considerable decrease in cost for the company along with shrinking of the cost it previously took for storing of the inventory and the cost incurred when the raw material became outdated. The new system opened doors to a lot of advancement which the company

couldn't even think about doing with the traditional means, like customization and printing in various languages and formats.

Freightliner also attained a unique selling proposition by its upgrade and now the company can focus its energies on the places it is required and can innovated. The delivery time has shrunk from a 4 week period to a mere 5 days! The company is saving more money then it expected to save up. The manual which it previously outsourced for \$300-400 now cost the company only \$25 to make on their own. All of this is the advantages of shifting to the JIT system.