

## CASE STUDY – New Touch Laser

“WE’VE MADE A VERY CUMBERSOME PROCESS A LOT SIMPLER”



### DELIVERY PERFORMANCE HITS RECORD HIGHS AND OVERTIME PLUNGES TO RECORD LOWS

Shortly after commencing its Lean manufacturing project with Vative, New Touch Laser Cutting experienced its biggest sales month on record. Two months later, it broke the record again, with delivery performance at record highs and overtime at record lows.

“Our delivery performance went from about 60 per cent of jobs on time or early to around 90 per cent,” says New Touch Managing Director, Brad Drury. “Before we started with Vative, I was actually looking at buying two new machines. But once I understood the value stream mapping, I realised I didn’t need more machines. The bottlenecks were in other areas of the factory.”

Value stream mapping tracked New Touch’s processes from the time of order receipt to order dispatch, and established that the average job was only on a machine for about four hours.

“I’ve been involved in laser cutting for 15 years and the bulk of that time has always been focused on reducing that four hours,” Mr Drury says. “Not



much time was given to tracking the two days before and the two days after. We’ve now streamlined our processes where we receive an order, and instead of taking two days to get it on to a machine, we can now do it in two hours. Doubling up has been eliminated, lead times have been cut and we’ve made a very cumbersome process a lot simpler.”

## OVERVIEW

### INDUSTRY

Manufacturing

### CLIENT PROFILE

An industry leader, New Touch Laser Cutting is widely known for high quality laser cutting and marking, and for its extensive fabrication and finishing services. The company employs some 60 staff at factories in Bayswater and Clayton South in Victoria, and operates six machines 24 hours a day.

### BUSINESS SITUATION

New Touch was achieving increased sales and rapid growth, but realised that waste and overtime were also growing. The company was considering the purchase of additional machines, but turned to Vative to see if Lean manufacturing could increase capacity on its existing production line.

### SOLUTION

Vative implemented a formal 12-month Lean program that enabled New Touch to establish and bed down its Lean manufacturing processes. 5S workplace organisation was introduced, machine utilisation was improved and delivery performance increased markedly.

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Value stream mapping showed that machines spent 4 per cent of their time waiting for materials. This was cut to 1.2 per cent, resulting in a massive improvement in machine utilisation.

Lean manufacturing changes and achievements included:

- Improved housekeeping and workplace organisation through 5S methodology.
- More visual material flow with clearly defined WIP (work in progress) areas between critical processes, resulting in significant inventory management and control improvements.
- Much lower WIP levels from raw material through to finished goods, which freed up valuable shopfloor and incoming goods space.
- Improved OHS outcomes, with no sharp, sheet metal inventories lying around. Lost time injuries were essentially eliminated by applying 5S in a logical and area-specific manner.
- Improved machine utilisation, with an emphasis on quick changeover, production planning/scheduling and delivery of incoming materials to key work cells.
- Much shorter internal lead times, which led to significant delivery performance improvements.

In addition to cutting overtime, quantifiable savings in labour were achieved in other areas.

"We used to waste a lot of time looking for tools," Mr Drury says. "After we implemented the shadow boards (a component of 5S organisation), we saved about \$30,000 a year in labour costs because people were no longer walking around looking for tools."

Mr Drury was impressed by Vative's understanding of his business and its ability to customise a program to suit the company's processes.

## VATIVE

Vative achieves significant business improvement for clients through solutions which are simple, realistic and highly effective. Providing consultancy and training services, Vative's 45-strong team includes Lean and Six Sigma excellence coaches with extensive business management, academic, engineering and trade backgrounds.

"We do low volume, quick turnaround jobs. We needed a program to suit the jobbing environment – we're not into mass production like automobile manufacturers. Vative were amazing to deal with. They applied their skill sets and knowledge, and have really helped us by providing training so we can take what we have learned about implementing Lean and 5S for many years to come."

New Touch has achieved a significant improvement in morale and housekeeping, as well as in delivery performance and the adoption of a culture of continuous improvement.

