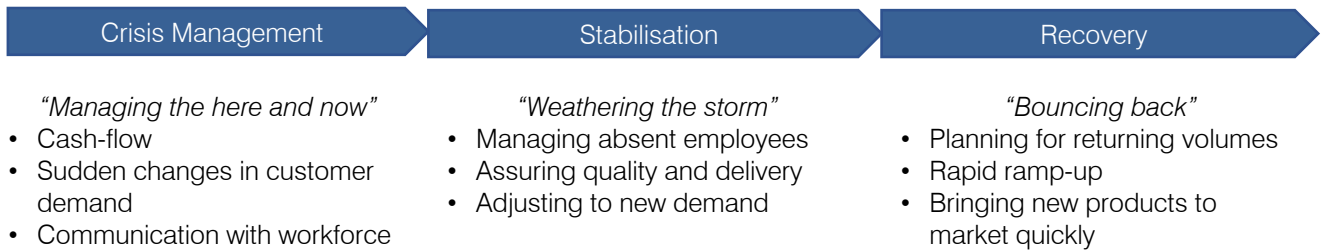


Thinking LEAN During the Covid-19 Crisis

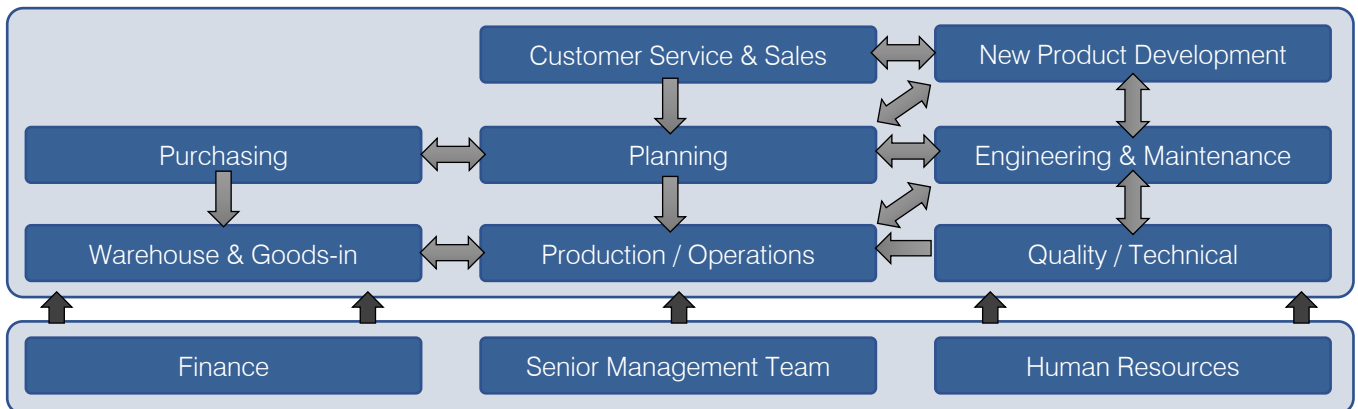
Overview

The current Covid-19 crisis is bringing unprecedented volatility to almost every business, compared to their “normal” business environment. The below check-sheet uses some key LEAN principles to consider the impact of the situation and some potential actions. It is not meant as an exhaustive list, but is intended to stimulate thought and actions, you may not have considered during this chaotic time.

Managing Each Stage of the Crisis



Business Areas and Communications



Customer Service and Sales

- Confirm sales orders on a daily basis and assess impact to planning and operations.
- Establish regular (daily) reviews with planning department to ensure rapid adaptation to changing sales situation.
- Ensure more than usual communication with all customers, to support their challenges and promote ideas and solutions that may benefit your operation and it's ability to respond.

Planning, Purchasing & Logistics

- Review stock-take schedule to ensure accurate stock data in this volatile sales and production environment.
- Establish regular (daily) reviews with suppliers to ensure rapid adaptation to any supply chain changes.
- Update MRP system with latest lead times and revised sales orders and stock levels.
- Review all “push” or “pull” purchase orders for all materials, to confirm they align to latest order situation.
- Review supplier contracts to understand terms and any opportunity to adjust volumes and/or payment terms.
- Increase the frequency of updating the Master Production Schedule based on changes you are seeing in customer orders.
- Hold regular (daily or weekly) sales and operations meetings to ensure alignment to latest order situation.
- Confirm and issue daily shipping plan to the customer and set regular conference calls where necessary to update on latest production / shipping schedule.

New Product Development (NPD)

- Review New Product Introduction plans in-line with possible changes to customer requirements.
- Assess (and potentially cancel) product changes in-line with in-house capacity constraints.
- Does the company have the capability to switch product development ranges to assist the fight against Covid-19?
- Discuss with customers the opportunity for design simplification and standardisation to reduce development time, costs and ease burden on the supply chain.

Production / Operations / Maintenance

During volume/ramp down:

- Ensure machinery fully maintained and protected before setting idle.
- Protect all materials, WIP and finished goods that may sit unused for long periods.
- Review SOPs to ensure they reflect the latest process conditions, in readiness for start-up at a later date.

During preparation to re-start:

- Complete full machine maintenance / TPM before start up.
- Carry out skills confirmation for employees where processes have not been run for long periods.

During volume/ramp up:

- Carry out additional "go-look-see" process confirmation by supervisors and management.
- Visualise manpower plans for additional shifts or overtime to help understand any gaps.

Quality / Technical

- Regularly confirm all finished goods and in-process stock is ok, free from damage, contamination and within any shelf life limitations.
- Consider risk assessment of your supplier's ability to supply the required levels and correct quality as well as how to remotely confirm prior to shipment.
- Prior to production start-up, confirm all the built-in quality mechanisms in-place, calibrated and verified.
- After production start-up, validate your first-off products as a matter of course.
- Track all communication with your customer for any quality issues (variation approval may be possible in the current climate).
- Establish a proactive audit schedule based on risk assessment of critical processes and procedures (e.g. new temp staff on a process).
- Consult with appropriate regulatory or approval bodies for rapid support with any required product or process changes.

Human Resources

- Deeply consider employee engagement and communication to ensure a regular and consistent message.
- Identify risk processes (shop floor and office based) where skills are limited to one, or few people, then rapidly cross-train or document the process (even just take a video on a phone) to ensure continuity in case of absence.
- Set up a visual "self-isolation" tracker so you can track likely return to work dates for absent employees.
- Explore agency and other options to maintain key workforce numbers should you have significant absences.
- Review all safe working guidelines, in line with .gov advice (e.g. canteens and close proximity working).
- Set up "return to work" processes for employees that have been absent, to ensure they are briefed on the latest working environment situation, production changes and skills confirmation, prior to returning to work.
- Review site access rules to minimise unnecessary visitors to site.

Senior Management Team (SMT)

- Review all standard meetings to assess if changes are needed; frequency (more or less), attendance (consider social distancing), style (physical or video) and location (e.g. having stand-up meetings on the shop floor).
- Identify critical measures / KPIs and establish daily reporting (e.g. cashflow, absenteeism, quality issues, short shipments, debtors, etc.).
- Discuss and agree plans in case of significant SMT absences.

Finance

- Create a cash flow forecast and share with senior management team daily or weekly.
- Review all budget lines and carry out a needs analysis to stop / pause / keep based on urgency and ROI.
- Carry out cost analysis and cost reduction activity to identify any rapid cost saving ideas that may be possible in the new environment.
- Identify and accelerate any existing cost saving opportunities considering financial impact (ROI).
- Review all contracts to understand terms and any opportunity to adjust service levels, volumes and/or payment terms.

MSM Support

If you would like to discuss any of the topics covered in this document please use the below details to contact us to set up a free dedicated video session, where we will be happy to discuss and support with topics specific to your business.

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