

Retail

Lean Transformation Delivers Increased Revenue, Improved Margins and an Invigorated Workforce for U.S. Retailer

This Taylor Corp company was faced with excessively long e-commerce delivery times and margin erosion due to increased competition. The business markets, manufactures and distributes the majority of its products. The company transformed the way it did business for its core product lines by using proven techniques and expert facilitation by NLP's best-in-world Practitioner Partners. The results speak for themselves. Not only did the company experience significant operational and financial performance gains, but they also benefited from a learn-by-doing approach and the knowledge transfer provided by NLP.

Transformation Results

	<u>Before</u>	<u>After</u>	<u>Savings</u>
Lead time, order-to-ship	8 days	1 day	7 days
Labor cost, per order	\$3.35	\$1.87	44%
Inventory, base stock	2,680,500	305,000	88%
Inventory, floor WIP	59,000	2,100	96%
Floor space, sq ft	24,530	16,700	7,830
Warehouse space, # slots	160	10	150 open
MRP transactions, per year	38,000	400	99%

Additional Benefits

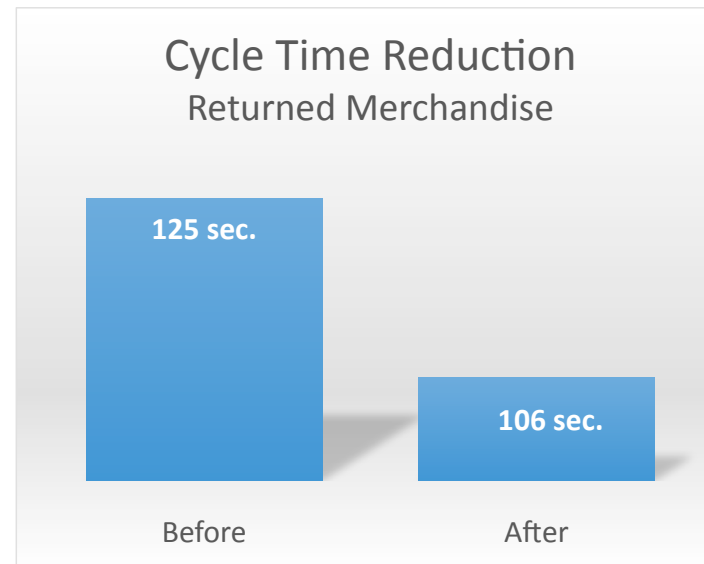
- Engaged and capable workforce with dozens of new Problem-Solvers
- Performance measurement system that drives sustainability and continuous improvement
- A leadership team with new tools for enabling continued transformation in other parts of the business
- A cadre of company process improvement facilitators that effectively replaced NLP
- Excess warehouse space being rented to local companies

Case Study: Online Retailer

Implemented Standard Work to reduce processing time for returned merchandise

Before

- Excessive handling of orders
- Poor layout of operations
- Employee incentive program fostered inconsistent process and performance
- No cross-functional problem solving
- No performance metrics



After

- Linked the processes for improved flow
- Balanced the resource allocation
- Improved the operations layout
- Reduced operation space
- Eliminated non-value added process steps and material handling
- Implemented basic performance metrics

This event resulted in annual savings of \$241,400.

