



TXM

CASE STUDY

SCHÜTZ DSL

Lean transformation with international supply chain

the CHALLENGE

SCHÜTZ DSL is a respected leader in reusable industrial packaging throughout Australia and South East Asia. The business manufactures and supplies the world renowned SCHÜTZ ECOBULK range of IBCs (Intermediate Bulk Containers), large plastic drums, and provides a comprehensive range of bulk packaging products and services.

Since establishing IBC production in 2002 the company has grown by 30 to 50 per cent per year. The company was dealing with excess stock leading to container demurrage charges. Its processes were highly manual and not transparent. It was running out of space on site. Poor housekeeping was contributing to reduced morale and productivity and in turn higher staff turnover and increasing employee dissatisfaction on site.

By the summer of 2006-2007 the poor processes were starting to impact on profitability and customer service and the company knew it had to do something about it.

SCHÜTZ DSL General Manager Andrew Gill says the high levels of growth and the many manual processes in the absence of any sort of MRP or ERP support systems, along with the need to re-engineer the organisation structure, meant that external resources needed to be sourced to assist the re-organisation while still allowing the company to meet its daily demands on the business. This is where TXM came into the picture, along with a couple of key staff changes, to assist turning the Victorian business operations around.

the RESPONSE

TXM undertook value stream mapping of key product flows from material supply in Germany to the end customer in Australia. It worked with SCHÜTZ DSL to implement efficiencies and effective processes.

- Establishing processes for raw materials
- Improving the process for planning and fulfilling customer orders
- Developing lean foundations to stabilise the factory
- Implementing leadership changes
- Improving the team culture

the RESULTS

The work undertaken by TXM has assisted the SCHÜTZ DSL Melbourne team to make significant improvements in all aspects of the business:

- 40% reduction in inventory
- 50% increase in output per shift
- 30% reduction in finished goods inventory
- Significantly improved housekeeping
- Lead time on most products reduced to one day
- Workload in planning and materials reduced significantly
- Shortages reduced significantly
- Demurrage costs eliminated and airfreight of components significantly reduced
- Significant culture and morale improvements

Andrew Gill says the best recommendation he can give regarding TXM is that SCHÜTZ DSL has agreed to continue with stage three of its TXM relationship to refine and improve on the 2007 and 2008 achievements.

