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Get to know our Automotive Team.

Oliver Wyman's automotive experts have broad industry experience and a commanding track record of successful consulting projects for leading automotive OEMs and suppliers in Europe, America and Asia. We offer consulting services along the entire value chain of the auto industry: R&D, purchasing, manufacturing, sales and channel management, after sales and financial services. Oliver Wyman's global Automotive Practice supports clients with strategic topics like brand management, customer orientation, corporate and business strategies, market, competitive, and technology analyses, product development, innovation management, sales strategies and after sales programs. Operational optimization includes purchasing, production optimization, efficiency improvement programs, reengineering, turnaround management and restructuring. In addition, Oliver Wyman offers the whole range of mergers & acquisitions consulting services, from partner search to evaluation, transaction support, and post-merger integration.

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Lean production –
exploiting further
cost-reduction
potential

Production Consulting Services From a Single Source

Oliver Wyman has extended the range of services it offers to the automotive industry. The acquisition of Harbour Consulting and further additions of experts in production strategies and processes to our international Automotive Practice underscore the firm's standing as the leading management consultant for automotive manufacturers and suppliers. Oliver Wyman's unparalleled expertise in all aspects of the automotive value chain, from R&D to after-sales service, has thus been markedly strengthened in the area of production.

Ron Harbour,
John Lucci

Around the world, the automotive industry is facing major challenges. On one hand, the agenda includes CO₂-reducing technologies and optimization of the product line. On the other hand, automotive firms are being thrashed about the financial crisis, exchange rate fluctuations, rising raw-material prices, as well as stagnation and growth occurring simultaneously in various regions. The impending transformation will significantly change all links in the value chain. Production, the most complex and highly developed link, will be most profoundly affected.

Conflicting imperatives

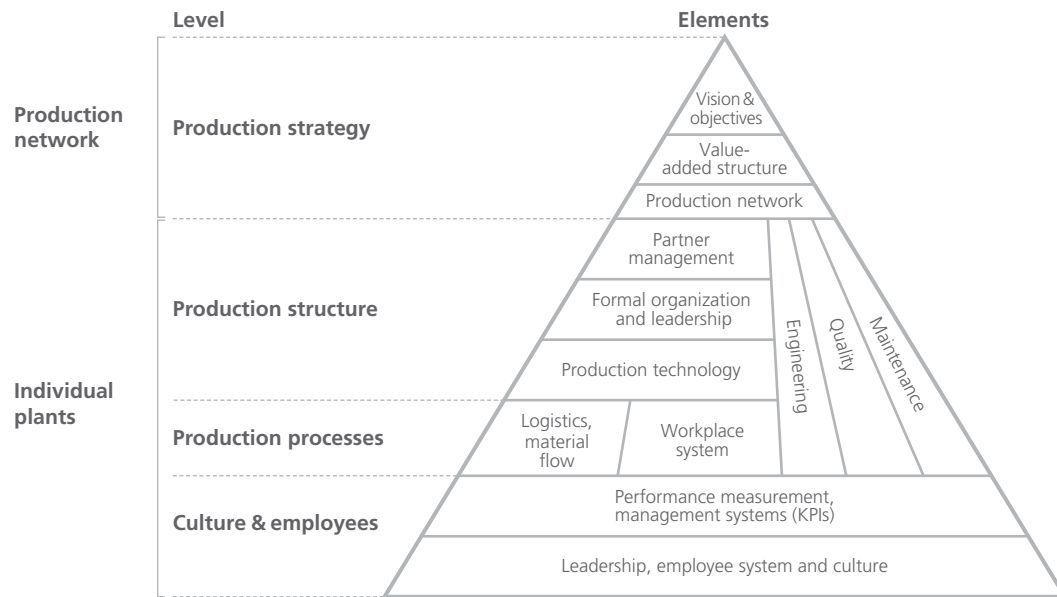
Faced with growing cost pressure, production will have to juggle an increasing number of technologies, equipment demands, and model and drive system variants, while having to reduce manufacturing costs and investment levels. At the same time, the demands of the world's growing markets must be served more vigorously with local production embedded in intelligent networks. Furthermore, new manufacturing clusters, production trends, logistics concepts, and changes in product streams will affect the complex production processes. Nearly all manufacturers and suppliers are aware of the urgency to streamline production. Yet, this can only be done successfully in the context of the overall value chain.

Detailed expertise and measurable results

Oliver Wyman's Automotive Practice has deep experience in the development of business models as well as R&D, downstream, and product strategies for OEMs and suppliers. Oliver Wyman is the first international management consulting firm to offer a complete range of specialized consulting services for production. The portfolio extends from value-added and manufacturing strategies, through network and site planning, to the optimization of production lines and jobs and the implementation of lean-management concepts.

Consulting for direct and indirect business segments draws on a unique combination: First, specialized production and lean-operations consultants have detailed knowledge and extensive experience. Harbour Report teams, for instance, visit more than 80 factories around the world each year. The Harbour Report™, a benchmark study published by Oliver Wyman, which acquired Harbour Consulting in January 2008, represents an unmatched database on productivity in the automotive industry. Second, Oliver Wyman offers expertise in automotive program management and methods, as well as teams that work well side-by-side with the client teams. Our goals are to achieve measurable improvements in quality and flexibility, stability and reliable planning, as well as cost and output, as quickly as possible.

A holistic view of the lean-production system



Source: Oliver Wyman

Tailored strategies and tools

Successful production consulting relies on specific knowledge about markets and customers, as well as trends in society and technology. We use our analysis of growth opportunities and customer preferences to generate target portfolios of skills and target profiles of operating locations, as well as recommended steps to modify parts of the value chain. This applies to the company's own production activities and to work done with suppliers, service providers, and customers. The use of numerical parameters that shape a company's targets is an indispensable part of any effort to introduce and manage production strategy, but the optimal set of such indicators must be custom made.

Scope of services

Services in production consulting range from optimizing the entire production network or specific production lines to special programs for maintenance, quality or flexibility. Manufacturing due diligence is carried out for purchasers of businesses. Annual manufacturing assessment and benchmarking enables improvements to be objectively measured and exposes existing weaknesses.

Before plants are reorganized and placed in operation, the production concept and factory layout have to be designed or refined. We focus our attention here on the alignment of work stations, logistics, and assignment of tasks, as well as optimization of throughput, work pace, idle times, and capacity utilization. The integration of the supply chain right down to the operation's physical logistics is typically an important component. In this sensitive environment, interaction among all players from the plant manager to the assem-

bly-line worker and from the works council member to the head of human resources is essential for achieving sustainable results.

Good intentions are not enough

Automotive companies introduced processes of lean production, continuous improvement, and zero-defect production years ago. So far, however, few manufacturers and suppliers have actually reached the goal of continuous improvement. While lean management and the comprehensive tool kit associated with it have achieved some initial successes at most companies, the results still were not always measurable and the effect lasted only as long as dedicated lean consultants remained on-site. Boom years with broad variety of models, very high plant utilization rates, and an increasingly complex model range did the rest in those fast-paced times.

Anchored in a lean culture

Building a sustained culture of lean management takes years, yet most companies need improvements as quickly as possible, and they demand measurable results within observable project times and project costs. For this reason, Oliver Wyman is taking a new approach that links traditional top-down measures with quickly measurable boosts in efficiency and the sustainable development of structures and training for the long-term promotion of a lean culture. The appropriate lean methods and tools are put in practice with a standardized, five-step program for improvement of quality, productivity, and flexibility. The results: A "first time-through-quality" culture of production diminishes the need for quality controls; labor effectiveness and machinery operating rates are improved; and the workload on each station is balanced.

Integration of senior leadership

Lean management should breed a culture of continuous improvement throughout the factory organization by means of training and coaching. The goals here are stable and dependable production processes that combine high standards of quality, effectiveness, and profitability. This program also integrates upper-level management more closely into production processes and expands the process knowledge and the sense of responsibility among all employees. Targeted benchmarks, presented simply, promote communication across staff levels, fueling a sustainable transformation.

Uniform worldwide systems

Thanks to the know-how, worldwide coverage and the necessary size of Oliver Wyman, lean projects can be organized and supported in many plants simultaneously. This approach also promotes the strengths of a uniform, standardized lean-plant management system across multiple operating bases – a fundamental requirement for a customer-specific production system.

Efficient interface management

Interfaces with customers, suppliers, and other direct and indirect departments are a source of efficiency gains that remains largely unexploited. Better networking and transparency, clearly delineated shared processes, institutionalized contacts at many levels, escalation paths, and other instruments can help reduce mistaken deliveries, down times, and buffer stocks.

The design-for-manufacturing program analyzes the products, production processes, and solutions of major competitors. In the process, it identifies opportunities and the cost potential of production-optimized goods. The goals here are simpler products and work processes, shorter throughput times, and the reduction of material consumption, machinery requirements, and retooling. A related consulting service links purchasing and key suppliers more closely to production in order to set up common processes and problem-solving at various levels.

Most manufacturers and suppliers acknowledge the need to make improvements in production. Properly initiating such activities is a major challenge that should be tackled within the larger context of all value-added stages in automotive engineering.

Overall concept for optimizing automobile production

