Pat Gavin Kitchens (NZ) - achieves a 53% gain

Colin Gavin and the management team advise – "We have reduced our factory and administration staff from 23 to 15 – and have maintained our weekly output (ie. a 53% gain in weekly output). This has reduced our wage cost substantially – and we have achieved this in less than 12 months due solely to **Empower** 'time tracking' and 'job scheduling' software. And the benefits of Empower far exceed our substantial wage cost saving".

A brief background

We have been in business in Whangerei designing and manufacturing kitchens now for 60 years. We have a team of 15 kitchen designers and sales staff servicing builders and home owners throughout Auckland and Northland.

We installed Empower time tracking and job scheduling software just over 18 months ago.

My production manager **Vincent Leonard** and I first looked at Empower software two years ago. In considering the system we visited **Asset Kitchens** in Auckland who

had reduced their factory staff numbers from 13 down to eight whilst maintaining the same weekly output. I remember at the time thinking "this is too good to be true – this software alone can not achieve this level of saving". We talked to other manufacturers who were using Empower Software and decided it would work well for Pat Gavin Kitchens so we proceeded and put it in May 2005. We surprised ourselves with the results we have achieved using the software.

We have reduced our full time staff from 23 to 15 - whilst maintaining our weekly output. We have increased our per staff member weekly output by 53%. And the gains we have made to our business far exceeds our substantial wage cost saving.

Our experience with Empower Software over the last 18 months at Pat Gavin Kitchens

Our business prior to using Empower Software

We used to employ 23 staff.

Factory staff were not aware of accurate budgeted times for each job. And they were not aware of how much time they took to complete each job, at the time they needed to know, which is immediately when they finished each job.

We used to use job cards where staff filled in their times on jobs. Job cards were a waste of time for many reasons.

Transferring staff's job card information into our costing program was a full time role.

Scheduling current and future jobs for "today" and "this coming week" was

difficult and inaccurate. And this was a full time role.

We used to take five weeks, on average, to turn around customers orders on kitchens (placement of order to site delivery).

We used to carry approximately $200,000 of work in progress on the factory floor.

With too much work in progress on the factory floor this "chaos", of partially completed jobs throughout the factory, resulted in; customers orders not being supplied on time, low factory productivity, and remakes and reworks.

Pat Gavin Kitchens in Whangerei

Back costing reports took three days (from the time the job was finished to the time when reports were in management's hands for review). This made it difficult to discuss times with other management and factory staff.

Staff filled in jobs cards and this information was put into our job costing system to give us back costing reports. These back cost reports were not accurate and did not have sufficient detail to enable us to pin point whether 1) sales under quoted the kitchen or 2) production took too long to produce the kitchen.

Labour times and therefore labour costs on kitchens were too variable and were unnecessarily too high.
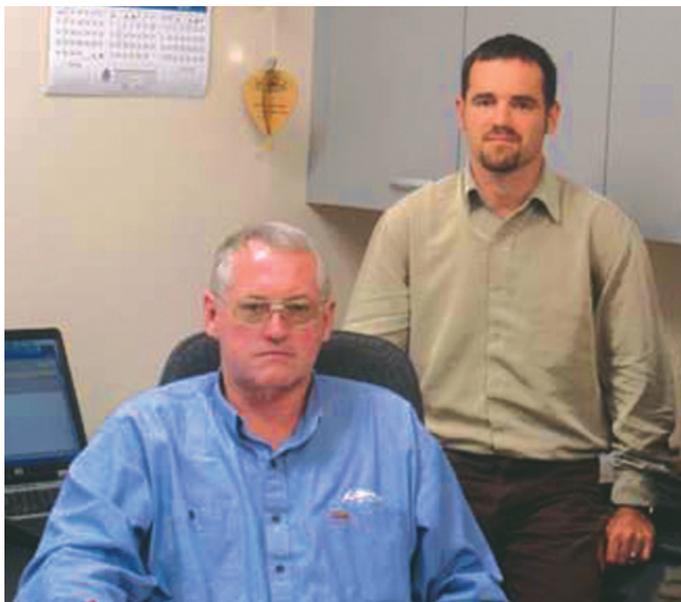
We had a large staff level of 23.

In summary

12 months ago prior to Empower we thought we had good systems, good job scheduling, good reporting, and good planning in place. And we thought that we had good factory productivity.

Our business now using Empower Software

We now employ 15 staff (eight less full time staff) and our weekly output has been maintained.

Now factory staff see on the PC screens the budgeted time for each job before they start each job and they see the time they took immediately they finish each job. This drives factory staff to achieve and beat the required times. It also enables production management to monitor all factory staff, jobs, and times "Live" on their PC screen.

This enables production management to work better with and motivate factory staff.

We now use second hand PC's on the factory floor to track jobs and factory staff "Live". Production management can view on their PC screen all jobs and staff that are on the factory floor. They view all jobs and staff "Live".

Empower undertakes job costing automatically at the press of a button – which has saved us this one full time role. Empower generates a range of key reports automatically at the press of a button. Accurate, "live", timely reports enables management to better plan and better manage jobs and factory staff.

Empower undertakes job costing automatically at the press of a button, which has saved us this one full time role. Scheduling jobs on Empower is quick, simple and accurate.

We now take three weeks, on average, to turn around customers orders of kitchens.

We now carry less than $75,000 work in progress on the factory floor. This has really improved our cash flow.

A lot less work in progress has brought a real sense of order to the factory floor. Now 99% of customers orders are supplied on time, and 90% of jobs are completed on or within budgeted time, and remakes and reworks levels are now negligible.

Empower back costs jobs automatically at the press of a button immediately the job is finished. Empower also "forward costs" jobs "Live". Empower shows management budgeted time, consumed time, and remaining time on each job "live" directly from the factory floor. This enables management to say to Joe on the factory floor "you only have 20 minutes remaining on this job, as you are only 60%

through the job, you will likely run over time by 40 minutes. What has caused this over run on time and how can we ensure this level of over run in time does not occur on this type of job again?

Back costing is quick, easy and accurate on Empower. Back costing times can be broken down to machining, assembly, rework, install times (and downtime). The reports list all staff that worked on each and all processes – with actual and budgeted times. With Empower we now back cost every kitchen and the reports tell us precisely which sales or production staff have caused what gains or losses in labour times. This enables management and staff to discuss 'the numbers' (i.e. times on kitchens) without personalities involved. Analysis of accurate numbers results in continuous improvements to both our manufacturing processes and sales processes.

Labour times and therefore labour costs on kitchens are a lot less variable and a lot lower. This enables us to increase our competitiveness, market share and overall profit margin.

We now have a much smaller staff level of 15. This is a "tighter" and "more progressive" team.

In summary

Using Empower has shown us far better systems, job scheduling, reporting and planning. And we now have far better factory output per week productivity.

We have an open book policy regarding Empower software in our business. If you manufacture any type of product you are welcome to contact us to discuss anything about Empower. You are welcome to view the Empower system operating in our factory if you wish. -S-

Pat Gavin Kitchens management team (from left to right); Colin Gavin and Peter Yeoman.