



47.5% increase in productivity – survey results

June 2009 survey results from 21 manufacturers who have invested in time tracking & labour management software showed:

- average increase in productivity of 47%.
- median increase in productivity of 35%.
- lowest increase in productivity of 15%.
- highest increase in productivity of 160%.

The 47% average increase in factory productivity was weighted upwards significantly by the following four manufacturers; Homeplus Southland 160%, Classique Furniture 103%, Lochiel Engineering 70% and Rose and Heather Furniture 60%.

The median manufacturer achieved a 35% increase in factory productivity within six months of using the factory productivity software. The survey showed the manufacturer with the lowest increased factory productivity, at 15% - reduced staff by four whilst maintaining output saving \$140,000 per year in wage cost.

The survey showed the manufacturer making the highest gain increased factory productivity by 160%. In year one nine staff were reduced to five whilst factory output was maintained. In year two the five staff then achieved twice the factory output that the original nine staff were achieving previously, increasing annual profit four fold.

The key reasons for the significant increases in factory productivity include:

1. Factory staff seeing budgeted time before they start of each job and seeing their actual time on completion of each job. This ensured staff focused on meeting or beating times.

2. Good staff consistently beating the budgeted times by substantial margin confirming their commitment and value to the business.

3. Competitive nature of factory staff. Peter wanting to show other staff that his times are consistently the best in the factory.

4. Staff had to log onto all forms of downtime jobs. Downtime was tracked and reported enabling it to be substantially reduced.

5. When staff were not logged onto a manufacturing job or downtime job this was reported as unaccounted time. Management could ensure that unaccounted time was reduced to a targeted ten minutes per day and all remaining time was accountable to manufacturing jobs or downtime jobs.

6. Production management's ability to see jobs and times live. Where issues occurred management could act straight away.

7. There is no hiding from the system. All staff are totally accountable for all time daily and weekly including
 - Time on manufacturing jobs ___ hours
 - Time on downtime jobs ___ hours
 - Time unaccounted ___ hours
 - Total time 40 hours

8. The following actual times were reported against budgeted times for the following to confirm staff and factory productivity
 - Time on manufacturing jobs ___ hours
 - Time on downtime jobs ___ hours
 - Time unaccounted ___ hours
 - Total time. 40 hours

9. Production management no longer have to accept poor excuses from staff for significant overruns in time on jobs. Production management can use the data in the system to advise Paul that the job can be completed in 4 hours because 4 hours is the current average time on that jobs. Or production management advise Paul that Peter consistently completes the same job in 3 hours which is an hour less than budget - so the 4 hour budget is realistic and very achievable.

10. Far better assignment of jobs to staff and production planning. This resulted from production management always having live up to the minute reporting of all jobs currently in the factory and those scheduled to immediately go into production.

The 47.5% average increase in factory productivity surveyed across twenty one manufacturers was significant considering a 30% increase in factory productivity is estimated to double most manufacturers annual profit.

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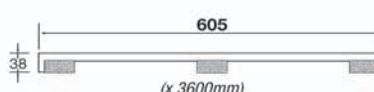
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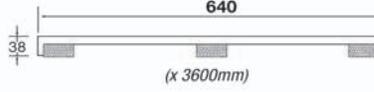
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BLANKS

605
(x 3600mm)



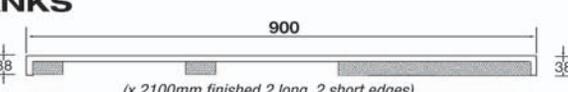
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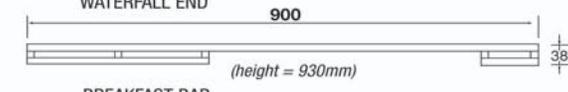
750
(x 2100mm finished 2 long, 2 short edges)



900
(x 2100mm finished 2 long, 2 short edges)



WATERFALL END
900
(height = 930mm)



BREAKFAST BAR
300
(x 3600mm)



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