

# Project Profile: Kaymor



Photo courtesy Kaymor Machining & Welding Ltd.

## Executive Summary

**Kaymor Machining and Welding Ltd.** was striving to increase the productivity of its business to support continued success and growth. Past investments in equipment and information technology systems increased capacity and provided more insight and visibility into operations through data, but the company identified that the full benefits these investments were meant to enable were not being achieved.

GO Productivity worked with Kaymor to identify nearly **\$100,000 in potential annual cost savings**, and helped the company realize a **6% reduction in inventory carrying costs** and a **15% reduction in non-productive lost-time**.

## The Client

Kaymor Machining & Welding Ltd opened its doors in 2001, and has since been a company dedicated to providing premium products and incomparable service, exceeding clients' expectations.

Located near Grande Prairie, Alberta, the company's brand new facility comprises a 20,640 sq ft shop on 4 acres of land. The company employs more than 30 people including journeyman machinists, welders, millwrights, and apprentices with a variety of experience in oil & gas, agriculture, forestry, mining, construction, and general contracting.

## The Challenge

Kaymor's machine shop deals primarily with high-mix, low-volume production, posing unique challenges for streamlining and standardizing processes. Adding to this complexity are customer demands, including extremely short order lead times and short cycle time requirements (less than one week on average) driven by the nature of unplanned maintenance, which accounts for up to 80 percent of the business. Such an environment adds complexity to continuous improvement and process optimization efforts.

Specific areas of opportunity that Kaymor was looking to address were:

- Space constraints in the facility, limiting capacity and obstructing material flow
- Ad hoc work order management, which contributed to suboptimal machine utilization, operator downtime, and a heavy burden on the machine shop foreman
- Limited use of available data to drive material management decisions on the shop floor

## The Objectives

General goals for the Kaymor team included increased flexibility, throughput, and consistent on-time delivery, all of which drive value for customers and enable continued growth and success.

Based on these goals and the challenges outlined above, the objectives for GO Productivity's engagement were:

- Identification and removal or relocation of low-velocity / rarely used material and equipment to increase available space and improve flow
- Improved process flow and shop floor flexibility to better plan and meet order promise dates
- Better leverage data available from the shop management system and other sources to drive better decisions on the shop floor

## How GO Productivity helped

Kaymor engaged GO Productivity for a tailored project that focused primarily on the work order management component of the company's machining business. GO Productivity worked with Kaymor over a three-month period, spending six days on-site at the company's shop learning about the business, the team, the processes, and the opportunities for improvements.

The Kaymor team was led through a Productivity 101 workshop to establish baseline productivity knowledge among key staff and help GO Productivity better understand their perspectives on opportunities for improvement. The interactive workshop was four hours in duration and covered key concepts such as value, process flow, the eight process wastes, innovation, and leadership.

Next, Kaymor went through GO Productivity's proprietary Productivity Assessment Tool (PAT). The PAT assessed Kaymor at a high level across operations, innovation, and leadership practices. The output identified areas of strength and gaps between the current state and leading practice.

Finally, GO Productivity worked with the Kaymor leadership and management teams to identify opportunities for improvement using data from the shop management system and the team's knowledge. GO Productivity then worked with the company's management to design and implement recommendations for achieving the desired outcomes.

## What results were achieved?

GO Productivity worked with Kaymor to identify nearly \$100,000 of potential annual savings to the company through:

- reducing or eliminating from inventory slow-moving or dead material
- improving process flow and shop floor flexibility through better information and communication
- leveraging the data available from the existing shop management system to drive better decision-making

Through the project with GO Productivity, Kaymor has seen some significant and sustained positive impacts to their business:

- 6% reduction in inventory carrying costs
- 15% reduction in lost time (i.e. hours spent on non-productive and non-revenue activities)
- Improved communication and information flow between shop floor and management, and within the production team

While the impacts took some time to measure and report, the effect on Kaymor's team was immediate and staff started to feel that things were different and changing for the better, almost right from the get-go.