

PAT GAVIN KITCHENS

– achieves 'lean manufacturing'

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 out put). 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".*



Pat Gavin Kitchens in Whangerei and (right) the Pat Gavin Kitchens management team (from left to right); Colin Gavin, Peter Yeoman and Vincent Leonard.



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 12 months ago (in May 2005).

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 8 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 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.

The "before and after" comparison of our business on the following page may be of interest to you.

"We have reduced our full time staff from 23 to 15"

"We have increased our staff output by 53%"

"The gains we have made to our business far exceeds our substantial wage cost saving"

Our experience with Empower Software over the last 12 months at Pat Gavin Kitchen's

Our business prior to using Empower Software	Our business now using Empower Software
We used to employ 23 staff.	We now employ 15 staff (<i>8 less full time staff</i>) and our weekly output has been maintained.
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.	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 used to use job cards where staff filled in their times on jobs. Job cards were a waste of time for many reasons.	We now use 2 nd 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".
Transferring staff's job card information into our costing program was a full time role.	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.
Scheduling current and future jobs for "today" and "this coming week" was difficult and inaccurate. And this was a full time role.	Empower undertakes job scheduling 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 used to take 5 weeks, on average, to turn around customers orders on kitchens (placement of order to site delivery).	We now take 3 weeks, on average, to turn around customers orders of kitchens.
We used to carry approximately \$200,000 of work in progress on the factory floor.	We now carry less than \$75,000 work in progress on the factory floor. This has really improved our cash flow.
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.	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 remake and rework levels are now negligible.
Back costing reports took 3 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.	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 " <i>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?</i> "
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.	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 were too variable and were unnecessarily too high.	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 had a large staff level of 23.	We now have a much smaller staff level of 15. This is a "tighter" and "more progressive" team.
<p>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.</p>	<p>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.</p>

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. Feel free to contact Vincent Leonard, our production manager, on 09 438 4026 or e mail vincent.leonard@patgavin.co.nz