

# Going Lean at Onbelay

Shoplogix™ Reduces Downtime by 26.3% on E-Coating and Powder Coating Lines



## CASE STUDY



Onbelay Automotive Coatings Corp. is the foremost industrial automotive supplier specializing in corrosion resistant coatings and suspension system sub-assemblies. Headquartered in Ontario, Canada, Onbelay operates a 142,000ft<sup>2</sup> facility and serves Tier One automotive industry leaders.

### BUSINESS GOAL

Onbelay was looking for a performance management solution to support the company's lean initiatives and needed to find a means to improve production reporting accuracy, reliability and frequency.

### SOLUTION

Shoplogix provided Onbelay with the lean tools to gain insight into the process flow in addition to the decision making flow. The Shoplogix Plantnode® implementation helped Onbelay reduce waste relative to downtime, labor, energy and raw materials; enabled real-time production reporting for more reliable and accurate data; and significantly increased visibility into day-to-day operations from the ground up.

### THE CHALLENGE

Onbelay's primary challenge was to eliminate aspects within the manufacturing process that did not add value to customers. The application of lean principles was key to the success of the project and utilizing lean tools such as Value Stream Mapping accounted not only for the activity within

production but also the management and the information systems that supported basic processes.

### PLANTNODE PROVES THE VALUE OF LEAN TECHNOLOGY

Excessive waste resulting from unplanned downtime and over consumption of raw materials necessitated drastic changes at Onbelay. Based on historical data, annual unplanned downtime totaled 200 hours for the aggregate of Onbelay's e-coating and powder coating lines. The two lines account for two thirds of the company's primary business. Taking the cost of labor, quality, and lost production time into account, the shortfall represented hundreds of thousands of dollars in opportunity lost.

# You Can Only Manage What You Can Measure

Over and above the cost of downtime, waste due to over processing translated to excess energy consumption and chemical usage. While parts on the line waited to move from one process to the next, energy was wasted due to over exposure in the curing process. Onbelay also identified a .59% fall out rate on each line due to chemical overspray contributing to excess waste that was previously undetected.

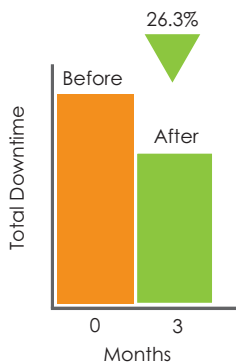
## A NEW PERSPECTIVE

At the end of every shift, employees physically counted the number of parts produced and entered the figures into a spreadsheet manually. Although it seemed to work for them in the past, the mandate to go lean shifted Onbelay's perspective and the decision to automate was inevitable.

According to Onbelay President Aly Rahemtulla, "To stay competitive, we needed to invest in lean technology to provide customers with the best possible service. Since implementing Plantnode we have clearly identified the root causes associated with unplanned

## Reduction in Downtime

Source: Onbelay 2006



Total downtime decreased by 26.3% after Plantnode was installed.

downtime and as a result we were able to reduce total downtime by 26.3%. We also improved our material flow by lowering the incidence of line stoppages and are better able to manage energy use and keep the costs of quality down to a minimum. The ROI on implementing a Shoplogix solution exceeded 210% with a payback of less than three months."

## Onbelay Return on Investment

Source: Onbelay 2006



Return greatly outweighs the investment in a Shoplogix solution with an ROI of over 210% and a payback of less than three months.

## BEYOND DOWNTIME

Although higher output and increased productivity were key factors in the justification to invest in a Shoplogix solution, the impact of installing Plantnode on the e-coating and powder lines filtered throughout the organization. With access to real-time feedback on overhead displays, operators have the information they need to understand where they are, and where they need to be in the process. As a result, Onbelay employees have gained a sense of ownership and pride in their work and are continuing to make a positive impact on the bottom line.

Real-time reporting accuracy and reliability gave way to a number of other capabilities in Onbelay's Chatham facility. Automatic event detection and escalation allowed supervisors and managers to keep on top of issues as they arise rather than after the fact. Better product quality resulted from more efficient use of materials, and total operational visibility into production provided managers with access to decision support information from anywhere in the plant.

## SHOPLOGIX PLANTNODE - AN INTEGRATED APPROACH TO INTELLIGENT PERFORMANCE MANAGEMENT

Shoplogix Plantnode is an intelligent performance management system designed to increase operational efficiency, improve quality, and drive higher levels of performance in discrete manufacturing environments. As a hybrid software/hardware solution, Plantnode leverages existing investments in equipment and business systems to enable operational visibility and real-time information flow that is fast enough to be actionable, with the accuracy and reliability to facilitate strategic planning and tactical execution.



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