

Amalgamating Internal Logistics with Production

Background

Our customer Casta Srl is based in Salento and operates in the medium-sized mechanical carpentry sector, supplying a wide range of high-quality components to large multinational groups producing forklifts and agricultural machinery. The two critical areas in need of intervention in their internal logistics system were identified. Firstly, governance and secondly, efficiency of logistics flows, including automation of document issuance processes in support of warehouse activities. The company requested OPTA to carry out a complete organisational review project with the purpose of creating a logistical entity capable of efficiently managing all material handling flows, regardless of the customer.

Approach

With regards to internal logistics, the boundaries between production logistics and warehouse logistics can be very confusing and consequently, inefficient. To help Casta Srl avoid some of their inefficient activities such as materials search, space management, identification of materials, missing products, inventory differences, waiting time, manually processing of documents, lack of information tools, it was first necessary for OPTA to clarify each areas' objectives, their key functions, and their relative tasks.

Subsequently, OPTA put in place a 5-step approach for the reorganisation project:

1. Detailed mapping of the physical and informational flows in order to determine the extent of the principle ones, the intervention priorities, the areas of competence and the specifications for the improvement or implementation of the information tools;
2. Reorganisation of the semi-finished warehouse in terms of layout and interchange areas;
3. Mapping of the storage areas to guarantee the effective and efficient traceability of the products;
4. Development of supporting information tools, such as warehouse map management, product identification tags with explicit destination, separation lists and assets;
5. Training the personnel involved in logistics, the production of the project's objectives, the new logistics system's logic of operation and finally, the methods of using the implemented computer tools. With a view to achieving an optimised result, a gradual implementation of the solutions was adopted, while constantly monitoring the results and promptly intervening in the critical issues that progressively became evident.



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European

Professional

Personal

Outcome

About one month after commencing, once the stability and standardisation of the process was achieved, the project moved forward with a progressive adjustment, during which time improvements were made to the information tools to support the process. The main results achieved were: 1. New increase in OEE for welding lines; 2. Increased productivity in the picking process by reducing the time to search for materials; 3. Increased productivity in the storage process thanks to the mapping and indication of the destination on the product identifier; 4. Reduction of waiting time for preparing production kits; 5. Reduction of waiting time and inefficiencies due to previous removal of kits with missing items.

The results obtained at Casta Srl show the importance and need to address warehouse logistics and production logistics through a unitary and systematic approach. This amalgamation worked as a strategic lever for the achievement of company's objectives, which were efficiency and service level improvement.



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