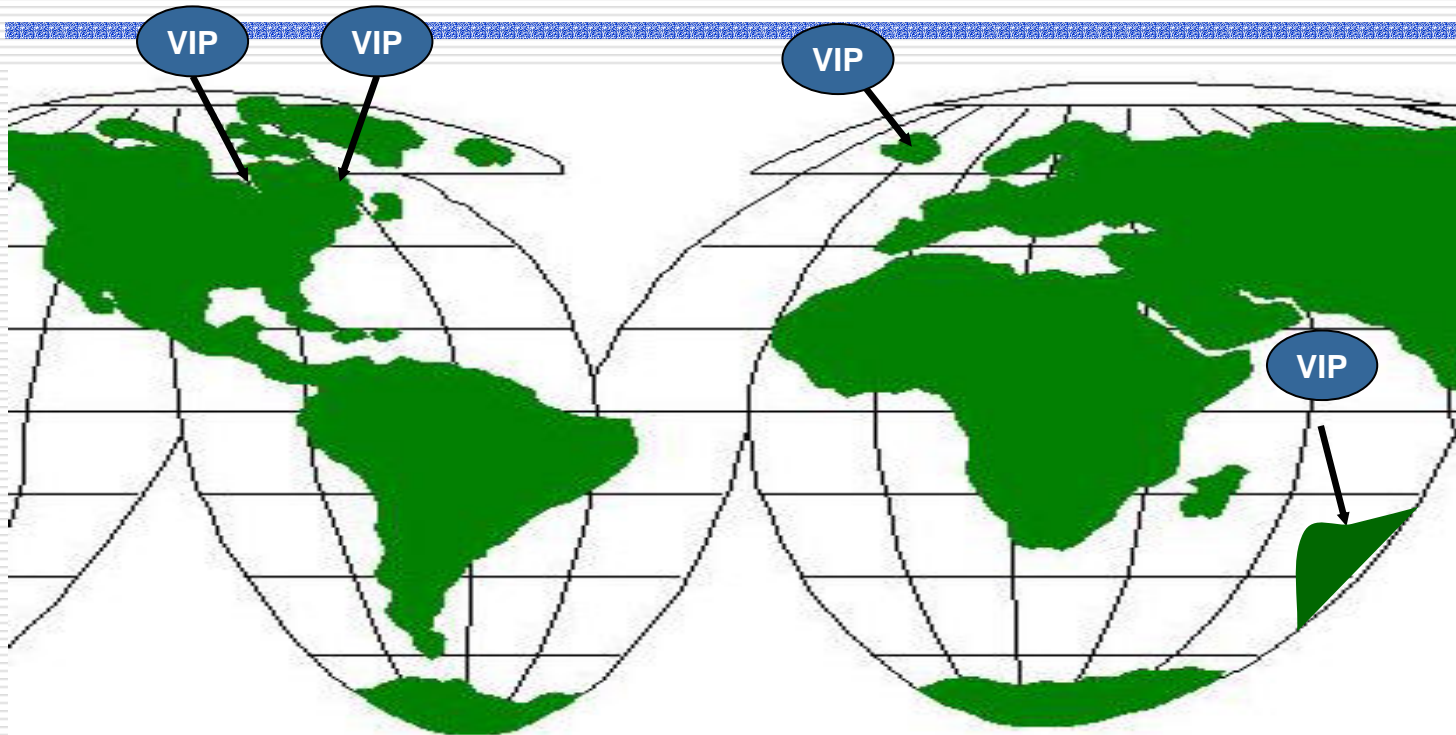


# Value Innovation Partners

*partnership in value creation*



## Chicago

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Antioch, IL 60002  
001 (847) 395-7076

## Boston

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Haverhill, MA 01830  
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# Who We Are

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**Value Innovation Partners, Ltd. was founded by a group of business practitioners with offices in Boston, Chicago, Leeds, UK and Melbourne, AU.**

## Experience

- Professionals with an average of 20 years of industry experience
- Clients in all major business sectors
- Recognized leaders in Lean Enterprise, Lean Supply Chain, ABC Analysis, Pharmacovigilance, Six Sigma, Lean Office and Lean Healthcare

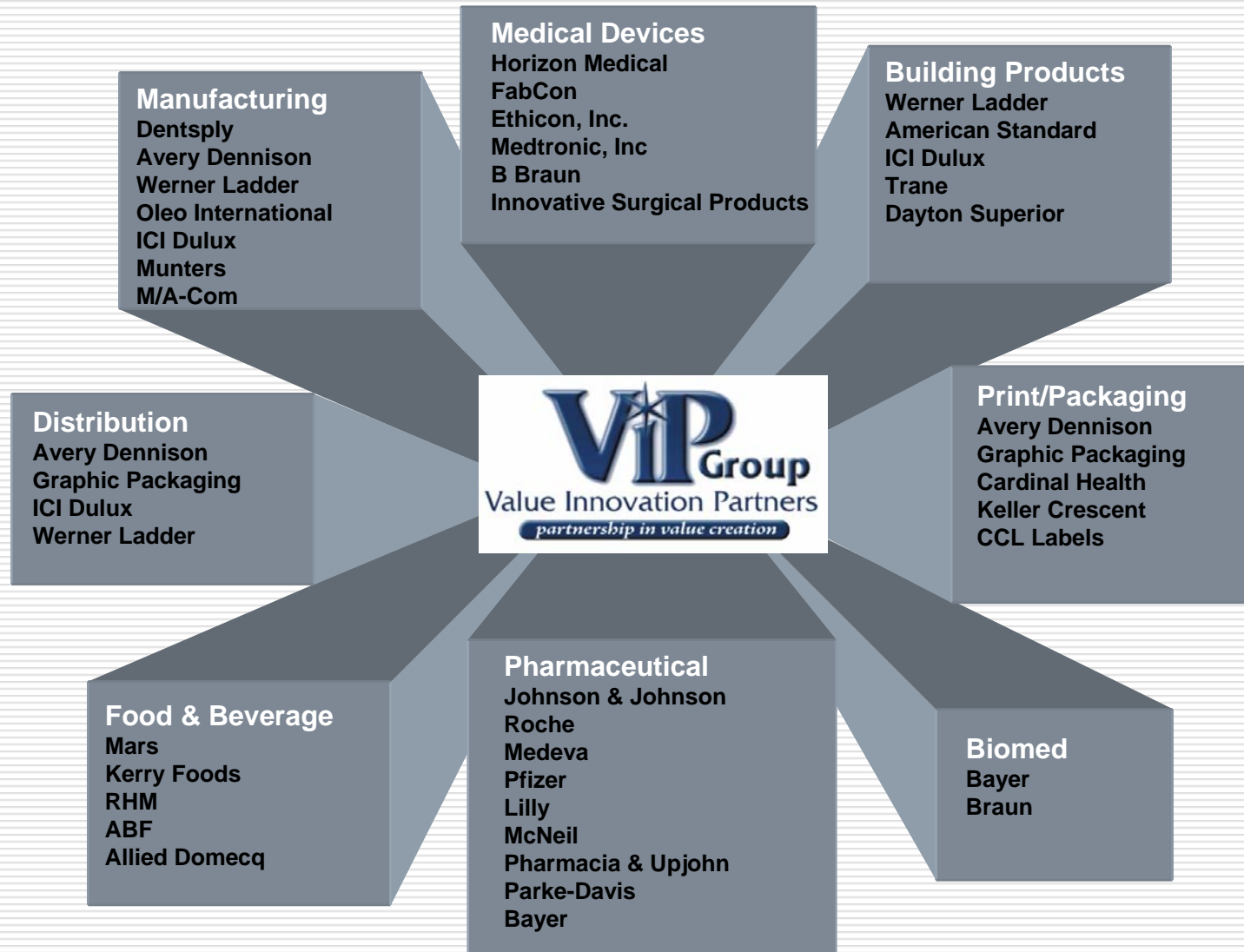
## Involvement

- Participate in the analysis and implementation of solutions
- Deliver innovative, hands-on, creative approach
- Establish long-term relationships

## Results

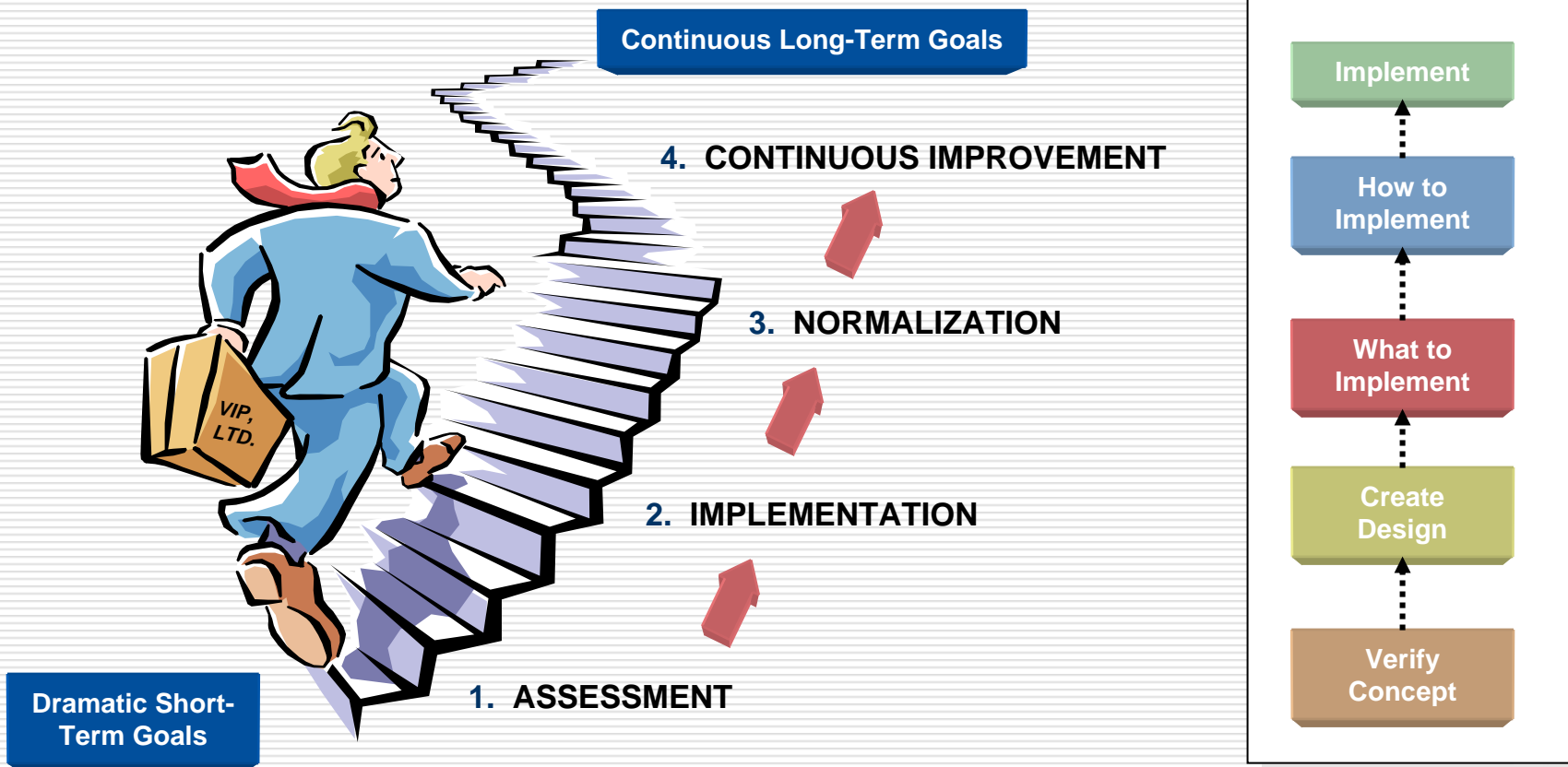
- Quantifiable and sustainable benefits
- Transfer critical skills
- Improve customer satisfaction, working capital, revenue and processes

# Partial Client List



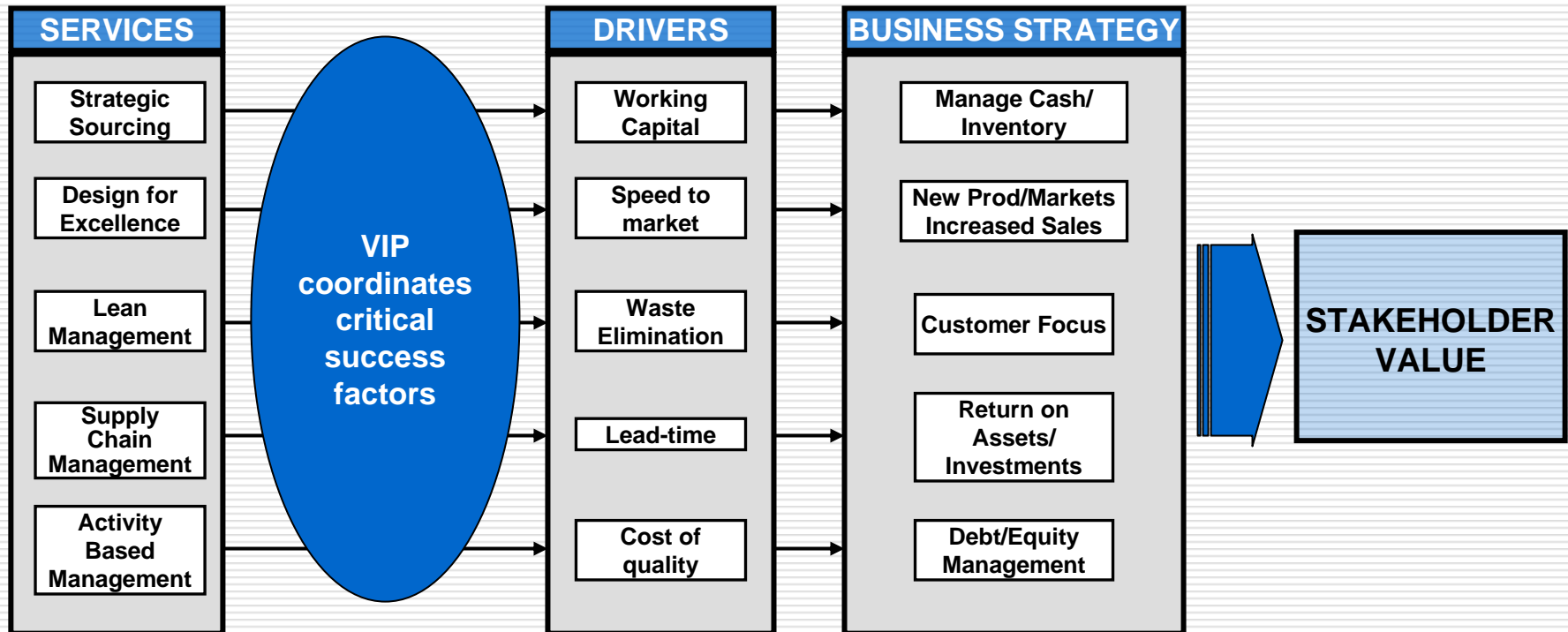
# VIP's Proven Methodology

VIP employs a structured 4-step process.  
(Benefits realized throughout the process)

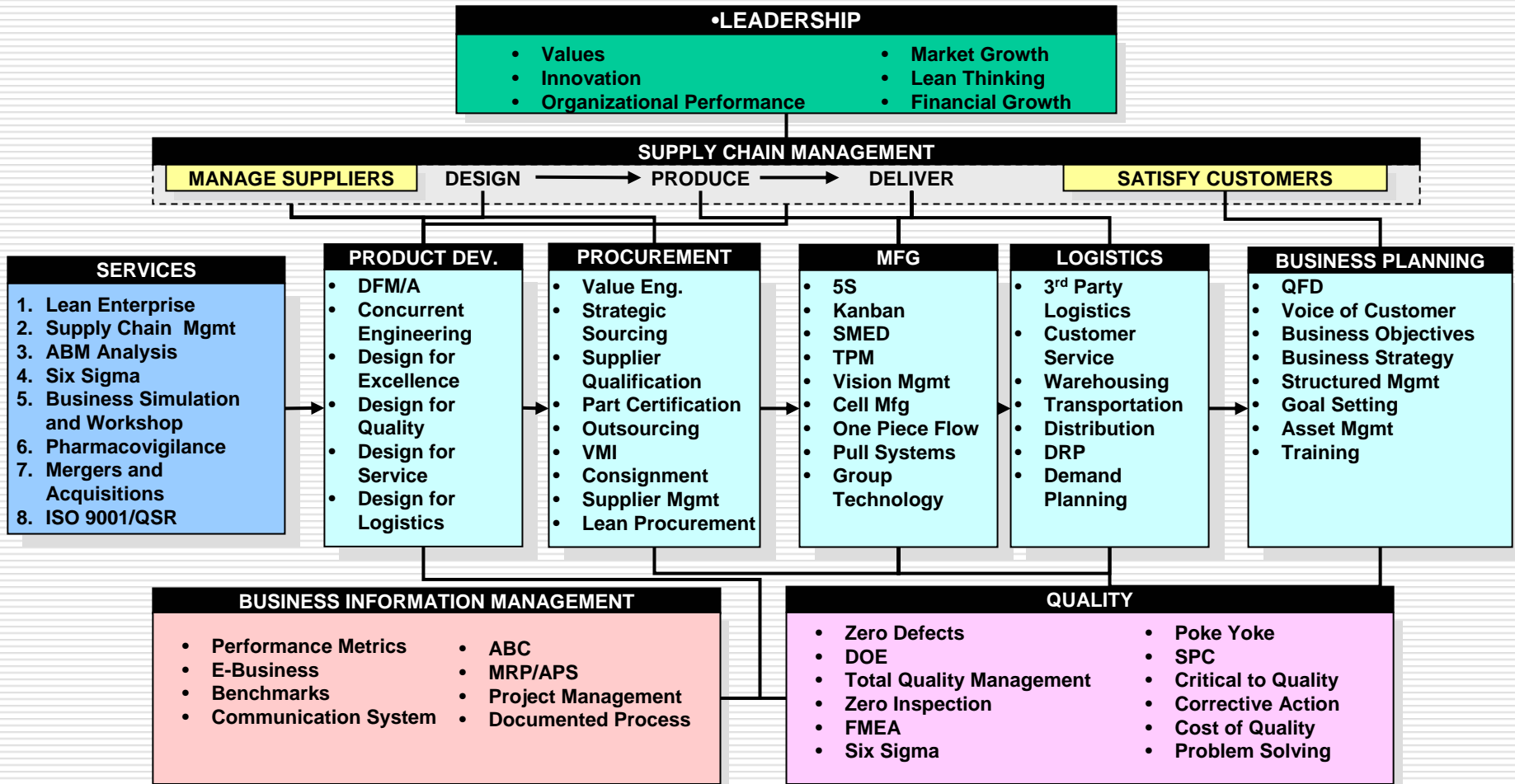


# Our Approach:

## *Linking VIP Services with Stakeholder Value*



# VIP Tools and Techniques



# Align Service and Value Across the Enterprise

Shareholder value  
Profits  
VOC

## Customer CTQ's

- What does it cost?
- What is the value?
- When can I get it?
- Does it do what I want?



## Business CTQ's

- What does the customer want?
- When do they want it?
- What will be my profit?
- What should it do?

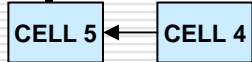


# VIP Lean Forecasting, Planning, Scheduling, and Manufacturing Concept

## RHYTHM

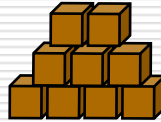


## WHEELS



Demand Pull (Kanban)

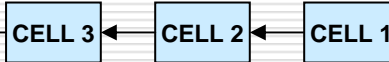
INVENTORY #1  
CONTROL POINT



MPS  
MRP  
PLANNED  
EVENTS

MODIFIED AVERAGE  
HISTORICAL  
DEMAND

Demand Pull (Kanban)



## RHYTHM

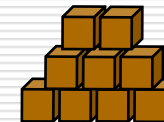


## WHEELS

CALCULATE  
REPLENISHMENT  
QUANTITIES



INVENTORY #2  
CONTROL POINT



SALES DEMAND (DEMAND  
REPLACES  
FORECAST)



## PLANNING OUTPUTS

- SALES FORECAST
- CAPACITY
- SERVICE LEVELS
- KANBAN SIZE
- RHYTHM TIME/  
VARIABILITY

## SCHEDULING OUTPUTS

- CONSUME TRIGGER
- FIXED SEQUENCE
- FACTORIALS

### FINISHED GOODS REPLENISHMENT

- INVENTORY LEVEL
- CONSUMPTION TRIGGER
- PRODUCTION SCHEDULE

### FINISHED GOODS PRODUCTION

- PRODUCTION ORDER REPORT
- MATERIAL CONSUMPTION
- BACKFLUSHING

### LEAN PRODUCTION

- PULL
- 5S
- SMED
- LAYOUT
- ONE RIGHT WAY
- STANDARD WORK
- CELLS
- GROUP TECHNOLOGY

### PURCHASING

- STRATEGIC SOURCING
- KANBAN
- POSTPONEMENT
- PRODUCTION DEMAND

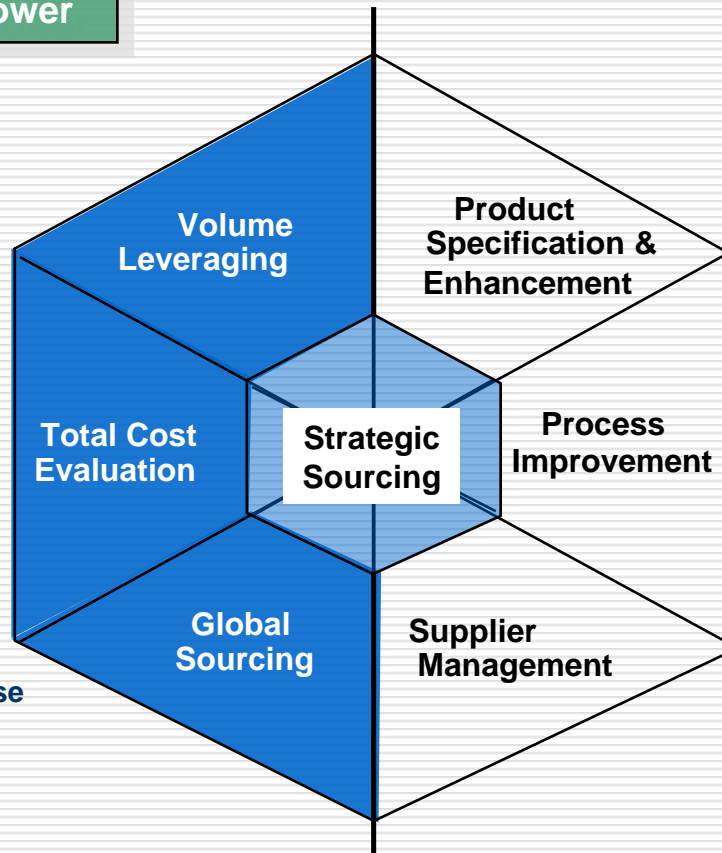
### PERFORMANCE METRICS

- SIX SIGMA
- BALANCED SCORECARD

# Our Strategic Sourcing Model

## Leverage Purchasing Power

- Review supplier base
- Leverage volumes
- Single source
- Bundle commodity categories with same source
  
- Review “total” costs
- Implement target cost
- Renegotiate costs
- Unbundle pricing
  
- Expand geographic supply base
- Develop new suppliers (partners)
- Profit from global supply



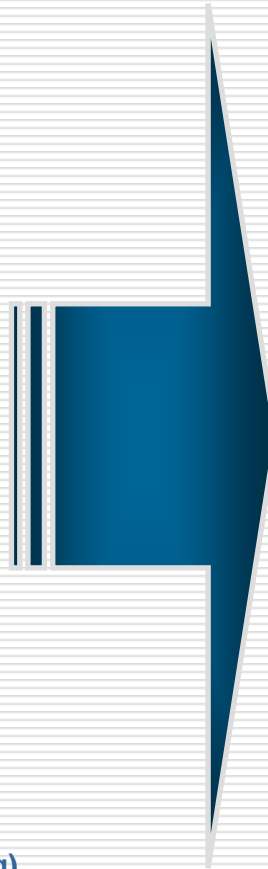
## Create Value

- Value Engineering
- Concurrent Engineering
- Improve product quality
- Part Certification
- Optimize product liability
  
- Value map
- Share productivity gains
- Integrate logistics
- Supplier qualification
  
- Develop supplier partnerships
- Integrate supply chain
- Robust make/buy process
- Develop supplier communication process

# Typical Change Efforts and Benefits Realized

## *Change Initiatives*

- Lean Pharmacovigilance
- Pull Replenishment Systems
  - Kanbans
- Schedule Optimization Programs
- Vendor Managed Inventory Programs
- Right First Time
- Cellular Manufacturing
- Business Process Redesign
- Value Stream Mapping
- Lean System For Managing
  - Change Management
  - Team-working/Teambuilding
  - Supervisory/Management Training
- Strategic Sourcing
  - Supplier Certification
  - Supplier Negotiation/Selection
- SMED, 5S, OOE,Poka Yoke (Error Proofing)



## *Client Benefits Realized*

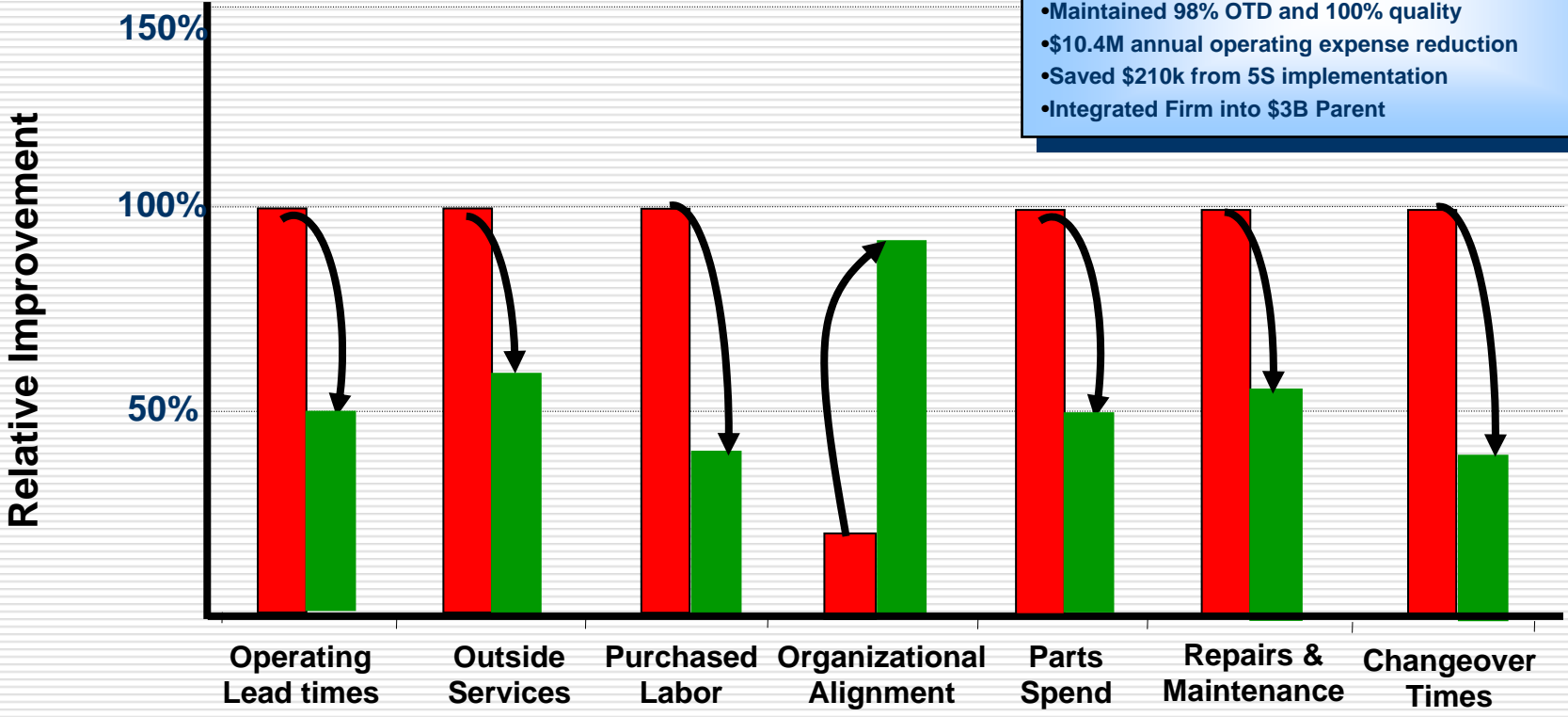
- Average 98% compliance, improve capacity by 105% and removed all NVA steps
- \$10.4M run rate reduction in operating expenses
- Inventory reduction of 50-80%
- Space reduction of 30-60%
- Adherence to schedule of 90-100%
- Improvement in OTD to 96% average
- Reduce time to changeover from hours/days to minutes, additional capacity of 5-25%, improve safety by 50%, reduce scrap by 30-50%
- Improved quality by 30-50%
- 100% achievable metrics through goal alignment
- Supplier partnerships providing no loss of production time due to shortages, poor quality or late shipments
- Reduction in NVAA by 50-80% and hand-offs by 30-50%
- Decreased distance traveled by 60-80%
- Increase productivity by 5-40%
- Improve moral by a factor of at least 2
- Identification of bottlenecks and problem areas
- Improve regulatory compliance to 98% average
- Skills and training matrices provide for solid, cross-functional teams capable of handling volume surges

# Lean Enterprise in Action

## \$.5 Billion Pharmaceutical/Chemical/Packaging Operation

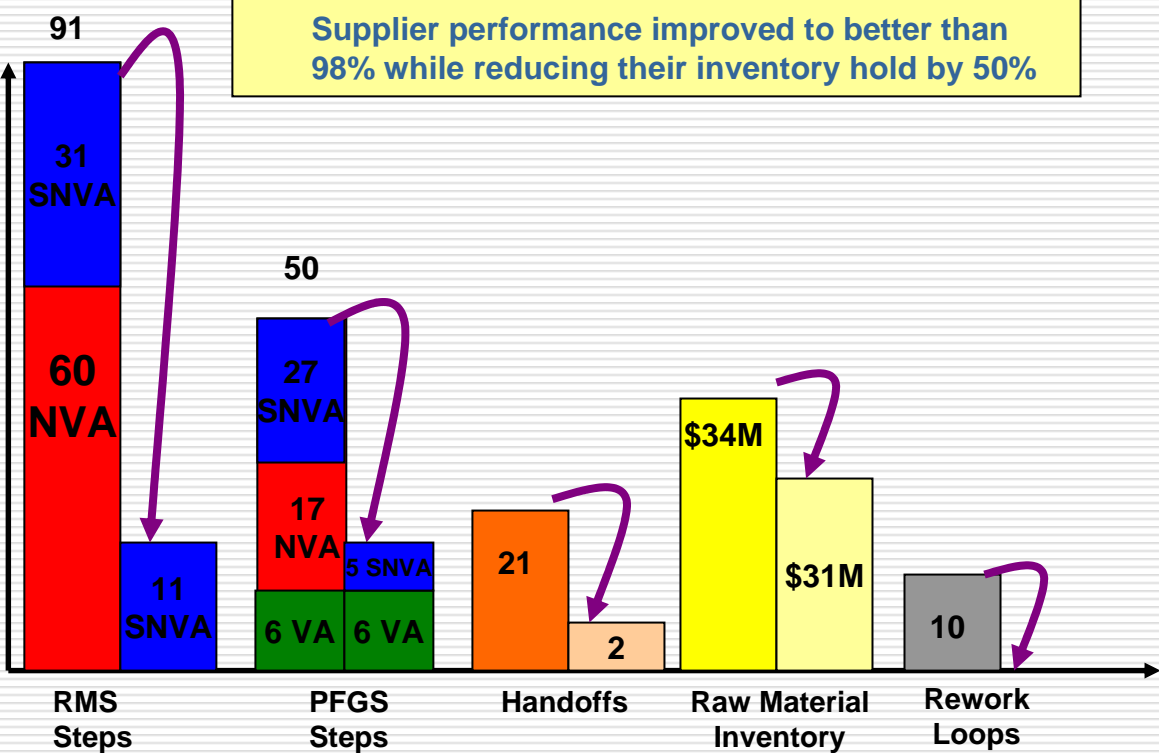
**Key Benefits**

- Lead-time from 49 days to 3 days in sourcing
- Labor and Over-time reduced \$6M
- Maintained 98% OTD and 100% quality
- \$10.4M annual operating expense reduction
- Saved \$210k from 5S implementation
- Integrated Firm into \$3B Parent



# Lean Procurement Utilizing LeanSigma

\$1.2 B Medical Device Operation  
(a division of J & J)

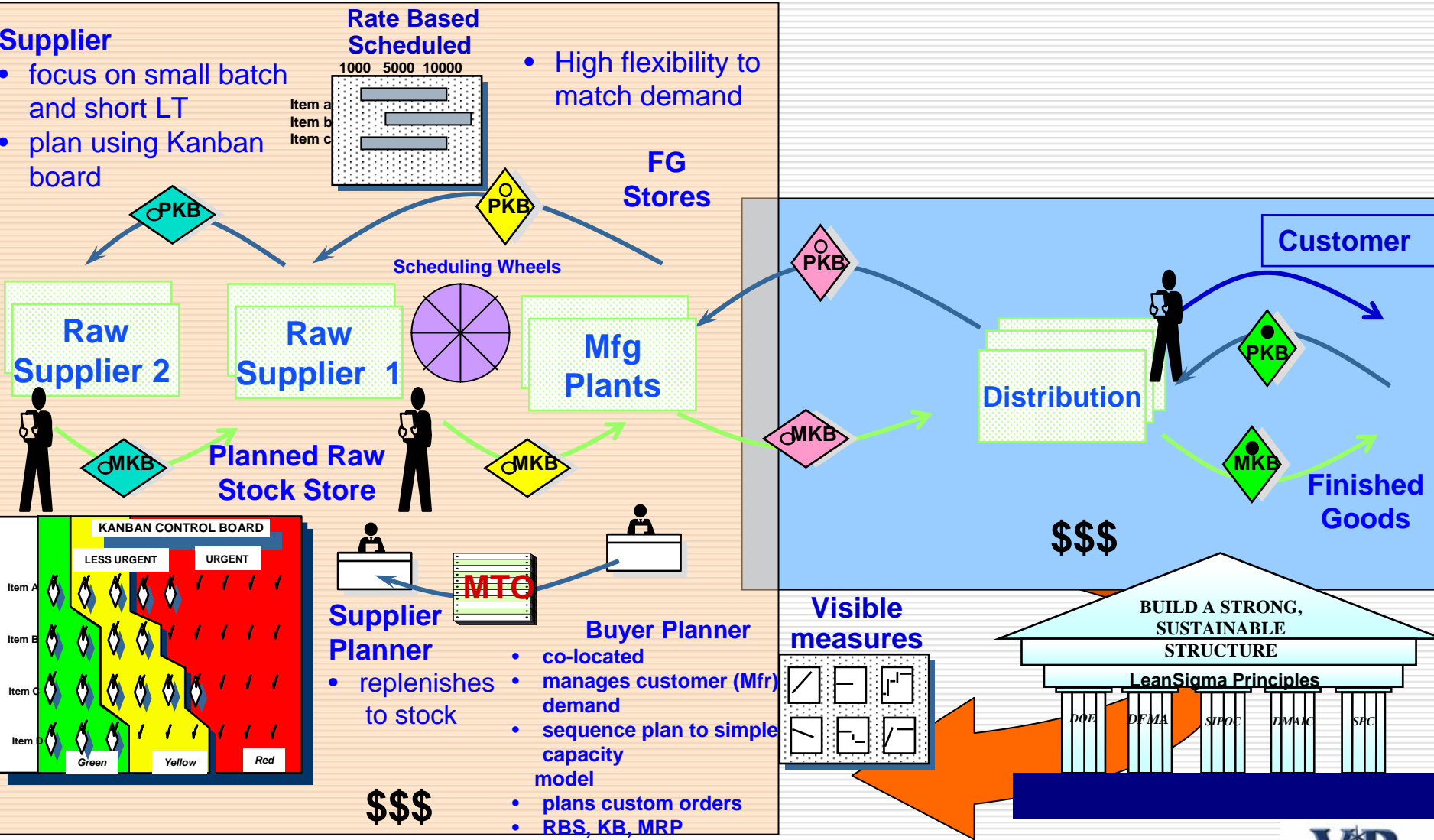


**Defect:**  
Process and tolerance variability  
**DMAIC Project:**  
Lean out the Supply Network, reduce Supplier parts variability and install a pull replenishment model



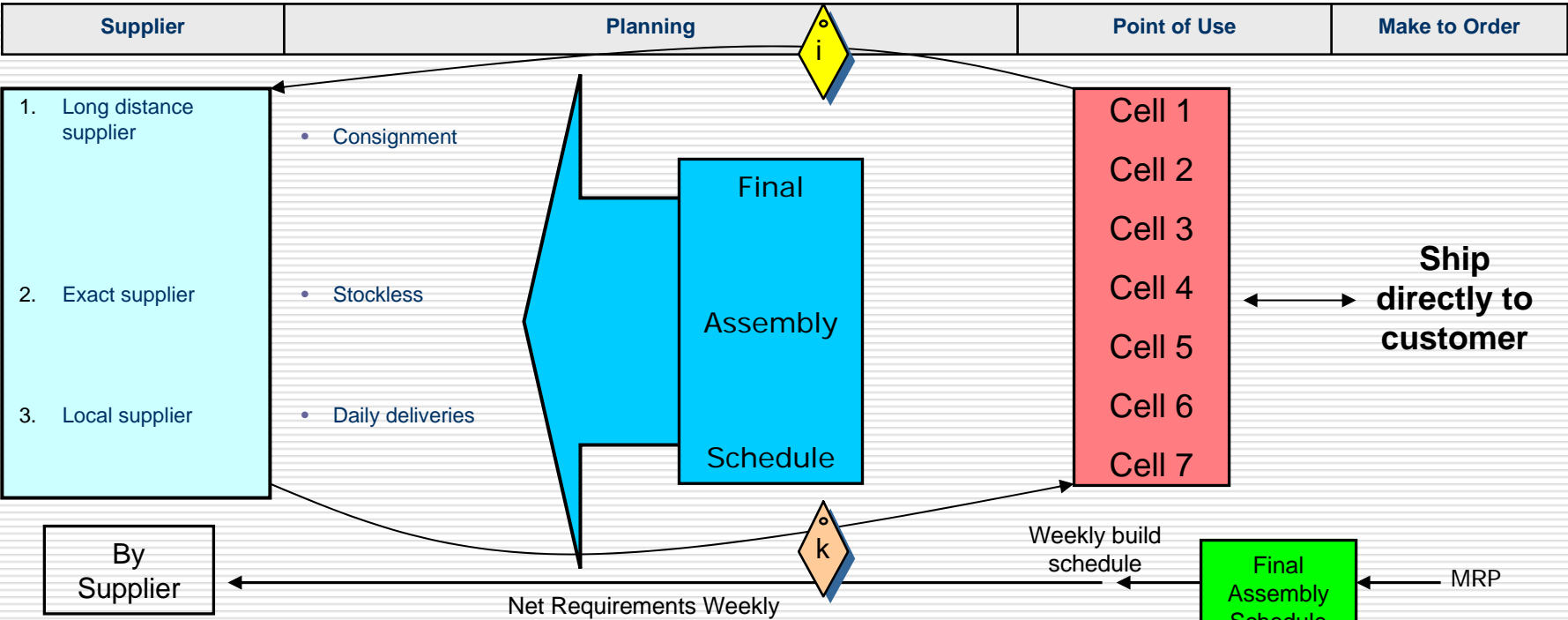
Procurement lead-time was reduced from 4-5 weeks down to 1 day

# Lean Procurement Model for Success



# LeanSigma Supply Chain in Action

## \$150M Medical Device Operation, (a division of J & J)



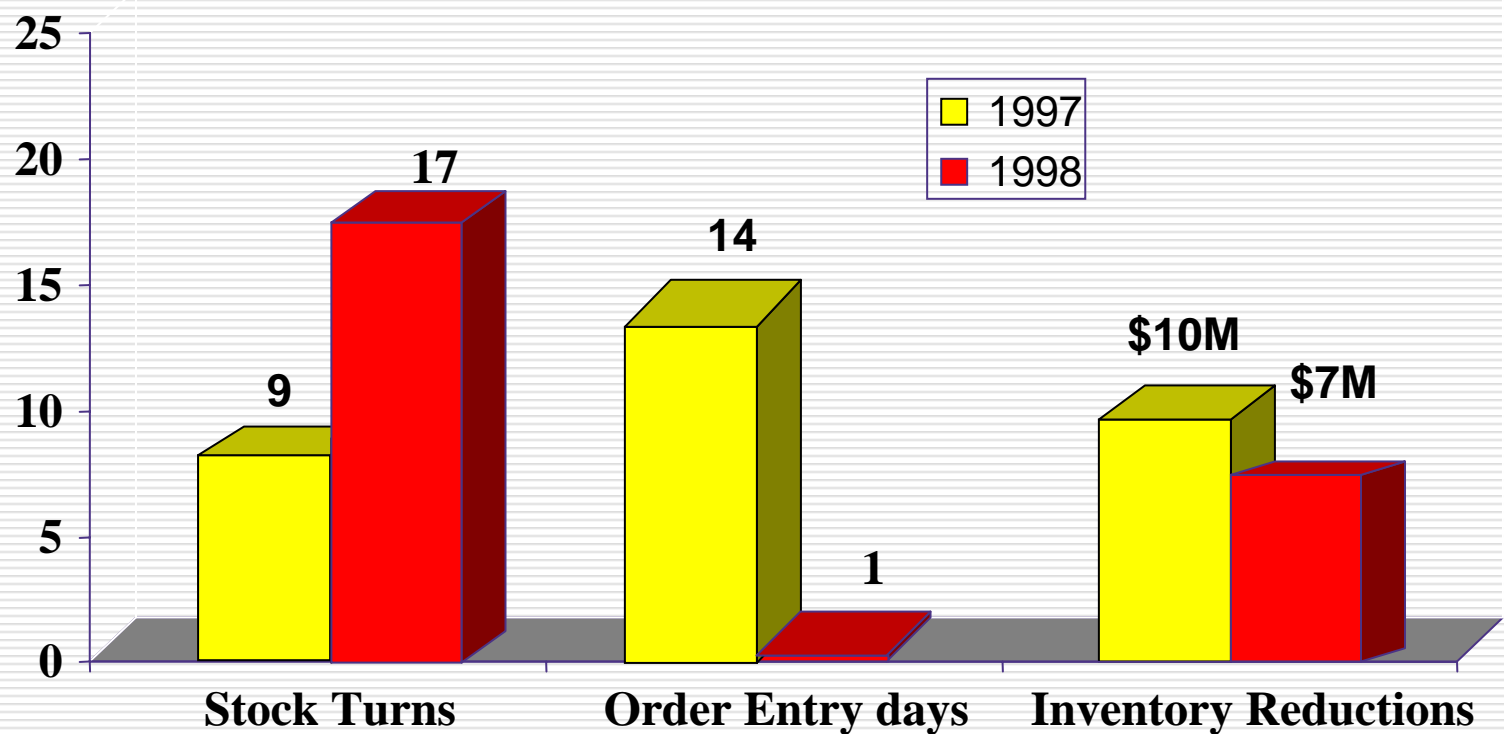
**Defect:**  
 Process and tolerance variability  
**DMAIC Project:**  
 Lean out the Supply and Distribution Network, utilized component model and reduce supplier parts variability

Item	Start	To Date
WIP Inventory	\$1.4M	\$643K
Turns	4.8	12
Supplier L/T	7 day	1 day
Total L/T	67 days	4 days
Whse Space	100 pallets	43 pallets

Warehouse  
 Manufacturing  
 Procurement  
 Suppliers

# Lean Manufacturing in Action

## \$150 M, \$90M & \$60M Office/Building Supply Plants

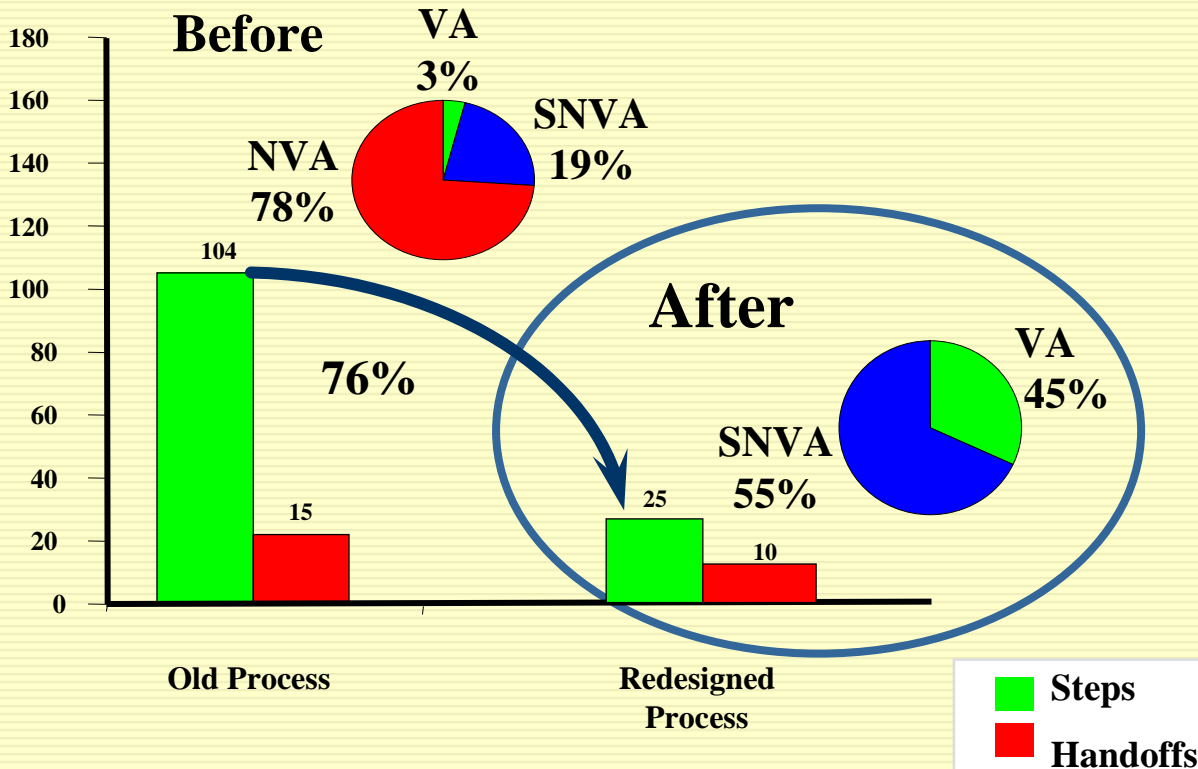


- Stock turns on product for a CNC went from 3 to 49
- Order Entry errors reduce from 48/month (1.2 per order) to less than 1/month
- VMI program allowed plant to acquire \$6M of new business previous out of their reach
- Visible daily cell metrics reduced production errors by over 60% and Lead-time by 20%/order

# Lean Office in Action

\$4.8 B Pharmaceutical/Biotech/Chemical Operation

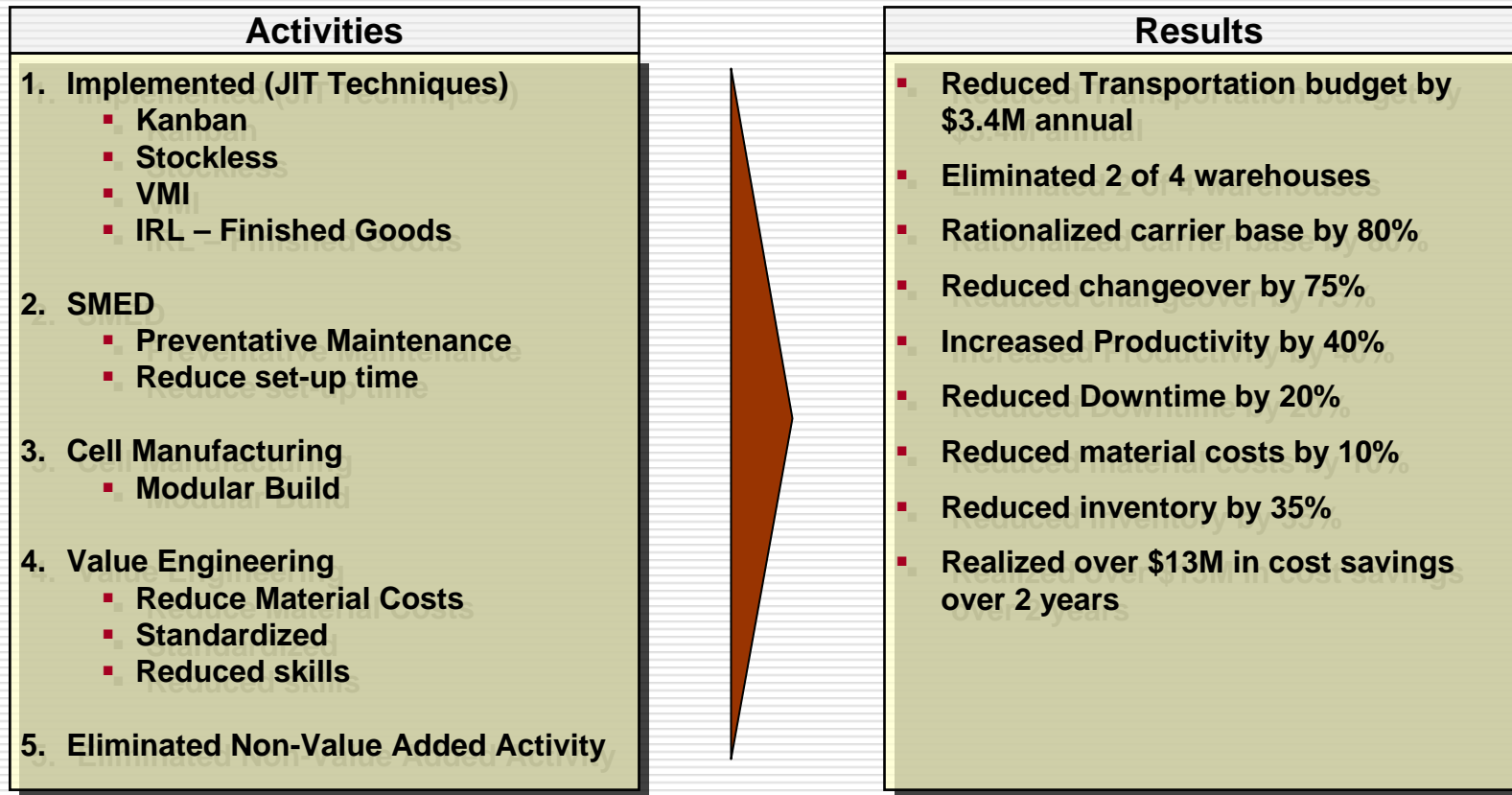
## Number of process steps and hand-offs



- Case travel distance was reduced by 96% from 1/2 mile to 100ft.
- All NVA steps were removed (400+)
- **Global compliance improved from 30% to better than 97% pa**
- Case processing time was reduced from 21 days to 11
- Internally generated documents were reduced from 32 to 1
- Improved productivity by 105% with existing staff
- Reduced process steps from 477 to 17

# Lean Supply Chain in Action

## Fortune 500 Company (Consumer Products)



# Why Use Value Innovation Partners?

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- ✓ **Technical Expertise**
- ✓ **Leverage Other Company Experience**
- ✓ **Avert Pit Falls**
- ✓ **Provide Early Benefits**
- ✓ **Provide Methodology/Techniques**
- ✓ **Project Management**
- ✓ **Outside Resources  
(benchmarking/technical)**
- ✓ **Creativity/Analytical Skills**