Lesson 1 – First day on the job

“Thank God you’re here!” said Mick, the Lab Manager. “We’ve been in our new lab 6 months and our waste levels are unsustainable. We need to get our lens wastage under 4% to break even, and we’re running out of time”

Such is your welcome to EyeBiz in your new role as Continuous Improvement Manager. Having recently completed your Green Belt training you are confident that you can apply Lean Six Sigma techniques to reduce the lens wastage problem that has bedevilled EyeBiz.

“We’re a big facility here, over 350 people, and we are making 10,000 lenses a day for the network of retail stores” explains Mick as he takes you on a tour of the factory. As you walk from the office into the different production departments you see a 2- storey building with nearly a kilometre of conveyors taking product between workstations and machines, upstairs & downstairs to the 2 floors, and through walls and around corners – an overwhelming investment in machines, facilities, infrastructure – all very impressive. “Do they need my help?” you wonder silently, “looks like they have the best of everything here, what could be going wrong?” you ask yourself

Mick continues, “Only 3 years previously we were a very small operation, less than 50 people, but all the manufacturing work has been centralised into this facility recently and we’re going through a lot of growing pains”.

Mick takes you on a tour that follows the journey of a lens from start to finish – you start in the Grind department that takes the lens blank from the shelf and cuts the lens super-thin to the correct prescription for the customer. Then into the Multicoating department, the area that puts the special coatings on the lenses that make them anti-reflective to glare. Mick doesn’t take you inside on this quick tour as it is a clean-room facility and there isn’t enough time to get suited up. Mick explains that the Multicoating (or MC for short) is a value-add service that the store charges customers, while there are very high costs per lens in running this department it also has the best margins.

Upstairs on the second floor you see the Fitting Prep department, this is where all the preparation work is done to the frame & lenses to allow the final stage of production to run efficiently. The lenses are “blocked” so the machines can hold onto the lenses, and the frame is traced to get an exact shape of the frame that the lenses need to be cut to. You follow Mick to the final stage with is the Fitting department. This is where the lenses are cut to the shape of the frame by robotic edgers (machines that cut the edge of the frame) and are then assembled by hand by skilled optical mechanics.

“That concludes the quick tour” says Mick, “I’m handing you over to each of the managers in the different production departments; they’ll give you a more detailed explanation of their production processes. At the end of the day, drop by my office for a catch-up”.

“One of the major reasons for such a large investment in a centralised laboratory was to get efficiencies, lower costs and also a faster service to our retail stores. What we found, when all the work got centralised here at EyeBiz all the problems got centralised as well – all the small amount of lens wastage that happened in the different locations around the country now all happens here…and it’s adding up to be quite a big number, looking like $2.5 million a year. By the way, here’s a lens wastage report for last week”

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| Department | Lenses Wasted per day | Cost Per Lens |
| Grind | 300 | $35.00 |
| Multicoating | 200 | $78.00 |
| Fitting Prep | 90 | $88.00 |
| Fitting | 125 | $104.00 |

You barely get a chance to read it when Mick adds, “I’m coming under a lot of pressure from Corporate to reduce our lens wastage costs, they are not seeing the financial benefits they expected from the new facility. I’ve been buying myself some time by saying I need to hire a Continuous Improvement Manager as a new role, but I didn’t think my delaying tactics will work with Corporate much longer”.

As you leave Mick’s office to meet with the other managers you hear a final request;

“When you drop by later, tell me which department you are going to tackle first – I need your answer today”

Questions

1. How will you answer Mick’s question when you meet him at the end of your first day?
2. What analysis tool did you use to reach a decision, and explain why you made that choice?