

MARWAY POWER SYSTEMS LOOKING FOR OPPORTUNITIES FOR GROWTH

ABOUT MARWAY POWER SYSTEMS INC. Marway Power Systems, located in Santa Ana, California, designs and manufactures power distribution products for electronic equipment in standard rack-mount form and for custom enclosures. The company specializes in creating optimized solutions for unique applications for one-time, custom multi-rack platforms as well as for high-volume OEM power boxes and are able to meet the needs of a variety of engineering and manufacturing needs.

THE CHALLENGE. While well established, Marway Power Systems was looking for opportunities for growth and began working with CMTc in December 2018 on approaches to implement quantifiable measures to ascertain what performance objectives needed to be met in order to resolve issues related to lead time, increased throughput/labor hours and improved workflow. The company recognized that it needed to improve its workplace “value stream” in order to keep up with customer demand.

MEP CENTER'S ROLE. CMTc worked with Marway Power Systems' management team to first discuss a set of objectives for the project which included addressing high complexity projects, low complexity projects, and high volume products. The engagement design included the completion of current and future state Value Stream maps, including recommended projects and activities to improve processes and reduce waste; and implementation of an improvement project in a selected area targeted on reduced lead time and labor hours, increased throughput and improved flow. Improved information flow was critical because both employees and customers reported being frustrated by either lack of information or inaccuracies. CMTc worked with Marway Power Systems on developing value stream process maps that included every step from order entry to payment. A current state map including issues and suggested improvements was created with input from a cross-functional team. Incorporating this input, a new future state map was created that provided a framework and roadmap to improve communication accuracy and improve ease of use, both internally and externally.

The project led to the following results: a new process that allows for production planning to be based on production capacity in terms of hours instead of solely on revenue; a pull system was implemented between production and kitting; new run rules were put in place with a clear priority system for the release of work to the production floor; establishment of a daily tracking board to improve visibility to daily performance and to drive focused problem solving efforts; scheduled labor hour variation reduced from $\pm 68\%$ to $\pm 10\%$; reduced kit pull inventory from 30 days to 3.5 days, a reduction of 88%; and reduction of kits on production floor with shortages moving from 73% to 0%.

RESULTS



15% increased sales



8% retained sales



6 jobs created



12 jobs retained



\$100,000 in cost savings

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"We had a very good relationship with CMTC and were impressed by the quality of their consultants and good ideas. They showed a vested interest in wanting us to succeed."

-Paul Patel, President