



Client Case Study: Automotive

This global manufacturer, distributor, and retailer of automotive components has been operating for more than 100 years. Since 2006, American Outsourced Solutions has been proud to be the sole staffing provider and MPO (Manufacturing Process Outsourcing) partner for this facility.

Prior Challenges

- Experiencing high turn-over and elevated accident rates which impacted both productivity and employee satisfaction
- Fill rates and turn-over not systematically tracked and measured
- No consulting and sharing of best practices regarding contingent labor utilization and management
- Constant retraining as a result of turn-over and lowered productivity impacted employee satisfaction, increased over-time cost on average of 8%, and reduced retention among the core workforce
- Base wage rates for hourly employees not in line with local market for same positions and skill sets
- Due to client managing suppliers employees and process, they were unable to track key performance statistics, had limited cost control, and high risk exposure to co-employment

American Outsource Solutions

- Lower foreign material defect level through more focused training, structured leadership, and ongoing focus and reporting
- Implemented a vigorous safety initiative to include awareness, training, and incentives
- Implemented a production based incentive program for directs and in directs, provide training, and track key performance metrics daily to share with teams.
- Analyze, recommend, and implement traditional staffing solutions in other departments of the plant to include reporting, electronic timekeeping, on-site management 24/7, and better structured communication between mid level and senior level management. As to headcount needs and ordering process
- Implement quarterly business reviews to review performance, discuss challenges, and create actions plans in focused areas
- Assessed rack repair and pallet refurb operation in the warehouse area, recommended to outsource that function and reduce overall operating and labor costs
- Implemented a floater pool of trained employees daily, by shift, to cover for absenteeism and planned headcount shortages
- Developed a more sophisticated screening process that reduced the number of interviews to new hires

Impact and Results

- Reduced turn-over by 41% which resulted in cost savings of \$113,000 annualized
- Reduced foreign material defect from .06 to .01 resulting in an 80% decrease
- Minimized client exposure by reducing accident/injury rate per man hour by 32%
- Became a strategic tool to senior management allowing them to free internal resources to address other operational demands
- By outsourcing a key department to our team, the gains in efficiencies and lowered cost per unit resulted in a labor cost savings of \$1,063,917 in the first 14 months
- Delivery of consistent performance via standard operating procedures for all facets of the staffing and CPU programs

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