



# Client Case Study: Rubber Product Manufacturing

This international company manufactures and markets engineered rubber products in the United States and internationally. It offers hose, conveyor belts, power transmission products, molded products, and air springs. It serves industrial, military, consumer, and transportation original equipment industries. Since 2005, American Outsourced Solutions has been the sole 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
- Turn-over not systematically tracked and measured
- No consulting and sharing of best practices regarding contingent labor utilization and management
- Base wage rates for hourly employees not in line with local market for same positions and skill sets and there were no established wage progression procedures in place
- No consistency in scheduling of material
- OTD (on-time delivery) percentages were at an all time low
- No accountability was in place for production errors or methodologies to track efficiencies
- Experiencing an excessive amount of material waste and reworked product
- Excess inventory was being produced

## American Outsource Solutions

- Implemented a vigorous safety initiative to include awareness, training, and incentives
- Implemented a program to track productivity and overall KPI's
- Developed a more sophisticated screening process that reduced the number of interviews to new hires
- Implemented methodologies to place more accountability on individual performance and efficiencies through indirect management and feedback
- Developed process's to more efficiently schedule product over the three shift operation and track on-time delivery
- Implemented a process to reduce excess inventory, reduce material waste, and virtually eliminate rework

## Impact and Results

- Reduced turn-over by 30% which resulted in cost savings of \$103,000 annualized
- Increased overall pieces per man hour by 40%
- Minimized client exposure by reducing accident/injury rate per man hour by 41% to a TMR of less than 1%
- Increased OTD by 20% which resulted in 100% OTD results
- By the gains in efficiencies, improved scheduling, increased productivity, over-time elimination, rework reductions, and lowered cost per unit resulted in a labor cost savings of \$446,768 annualized
- Delivery of consistent performance via standard operating procedures for all facets of the staffing and MPO programs

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