

Manufacturing – Business Processes Value Stream Mapping

Business Case:

Business model not aligned with organizational structure leading to functional bureaucracies “silos” where customer orders are difficult to track or expedite. Excessive costs being incurred between cash outlay and cash receipts. Low inventory turns.

Approach / Solutions:

Visioning sessions clarified the business model and structure. Value Stream mapping of the Order-to-Cash cycles created an improved flow of orders through functional departments, improved demand management and scheduling, improved resource planning and ultimately faster turns on cash outlay to cash deposits.



Results:

Metric	Change	Metric	Change
Order to Cash days	149 to 93	Finished Inv Turns	4 to 8
Raw goods Inv turns	2 to 12	Backorders	Down 18%

Summary:

By clearly defining the flow of value and the presence of waste, cross functional teams worked to improve the speed of orders flowing through the system and ultimately shortened the delay between cash outlay and cash receipts.

