Case Study – Oil & Gas

Kanban Program Design

CHALLENGE

Meeting a 7-day lead time for exports presented significant challenges due to the limitations of the traditional make-to-stock model. The majority of parts in the export model were cast with extended lead times.

Additionally, customer demand was highly variable, and there were no reliable forecast projections. At the supplier end, deliveries were inconsistent and often unmet due to erratic demand patterns.

DATA ANALYSIS

- Analysed 2`3 Yrs Demand Data
- Classified as per Mfg Processes
- 90% parts were casted parts

215 SKU's were in the Export Category of 7 day lead time supplies

Case Study – Oil & Gas

RESULTS

7 **Order to Readiness Lead time**

Ontime Delivery **98%**

SUMMARY

The project successfully established a Kanban model for export spare parts. A Kanban pull quantity was determined for each component based on demand, and a two-bin system was implemented for all parts. A visual Kanban store was designed to manage inventory effectively. Upstream, the Kanban pull system was implemented with suppliers to ensure adherence to weekly supply triggers. At the customer level, a forecast agreement was established to ensure the weekly demand is met. This approach streamlined the weekly requirements for the export business.

Key Results:

- Enhanced Inventory Management
- Improved Delivery Performance
- Customer Satisfaction
- Supplier Coordination