

## ADDING VALUE WITH REDUCED WORKING CAPITAL

# PARTNERING WITH OUR CUSTOMERS

### 1 THE PROBLEM

The supply chain utilized by the customer exposed them to less than satisfactory customer service levels, which presented risk to their target volume growth goal for the year.

The customer and Worthington Industries suffered from high levels of inventory while both were striving for faster velocity and lower cycle times.

This problem impacted the customer who specializes in rolled-formed and stamped products.

### 2 THE APPROACH

A half-day kaizen event was put in place in order to find the best solution for both the customer and Worthington.

The kaizen utilized teams from both parties that consisted of members of sales, scheduling, supply chain and transformation.

The team set a goal to reduce working capital in addition to optimizing the supply chain in order to meet the customer's target volume growth goal.

### 3 THE DELIVERY

The team identified the area that would have the most impact and focused their efforts there to make the process better.

The redesigned ordering process created pull signals for high running customer items.

A safety stock model was also created in order to maintain the flow within the Worthington Industries facility while reducing lead time for the customer's finished goods.

### 4 THE OUTCOME

The half-day Kaizen event accommodated both Worthington Industries and the customer by improving their relationship and increasing transparency to each others operations.

In 1 month the working capital for the customer was reduced by 61%.

In addition to the reduction in working capital, both teams were able to streamline communication and increase visibility to each other's inventory in order to meet the customer's target volume growth goal.