

# Improving Service Delivery Time

## The Company

The company is a diversified manufacturer of industrial products serving a diverse set of customers in North America.



The business unit is the largest manufacturer and lessor of rail cars in the country, providing customers with one-stop shopping for their rail transportation needs.

## The Situation

The company's growth has accelerated, placing increased demand on its maintenance and repair operations. Customers expect their cars to be serviced and returned to them in a timely fashion as any lost service days result in tangible economic losses. For leasing customers, the company experiences lost revenue if cars are out of service for longer than was committed to the customer.

Keystone was engaged to assist the management team in developing plans to reduce shop turn time from the current 60+ days to an average of 30 days – "Drive to 30."

## The Approach

The diagnostic phase resulted in an assessment of the root causes of the poor turn times. This included the facilitation of a cross-functional team, data analysis, and process refinement.

In the past, the company had focused primarily on refining processes and tools, without

addressing the main cause, which was the reactive nature of the company's service offerings. Additionally, there were organizational silos causing work to be held up in between process steps and functional areas.

Fundamentally, the assessment showed that a revamping of the approach – moving to a more proactive model – was necessary to make a significant breakthrough.

The main initiative was the development of a Maintenance Operating Plan, pooling the known shop demand and presenting the demand to the shops in a more structured and organized plan. By shopping cars in "like groups" rather than "one at a time," the shops would improve their utilization and throughput, while streamlining the company's internal operations. As a result, customers would receive cars faster and would be able to better plan the use of their fleets.

In addition, an initiative was created to improve the supporting tools required to effectively interact with customers and the repair shops.

Phase 1 of the re-design included three initiatives.

1. **Develop and manage a master operating plan:** The team developed a comprehensive plan to manage all service events able to be planned in advance. These planned events account for approximately 80% of all services provided by the company.

A team member was added to track shop capacity and capabilities to ensure cars are sent to the optimal shop.

2. **Enhance systems & tools:** The company utilizes many tools through several systems, each with varying degrees of functionality. Keystone helped identify and focus on the highest-value tools.

Keystone also worked with the business to more effectively capture and utilize customer data. Additional tool enhancements will be completed in a later phase.

3. **Standardize and improve instructions:** The final component of Phase 1 was developing a standardized, easy-to-follow maintenance instruction template. A library of general instructions (in the new template layout) will be created by a team of engineers. Weeks prior to any car's anticipated arrival date, the general instructions will quickly be converted to specific instructions for each car, reviewed by management, and sent to the appropriate shop.

## The Results

- Turn-times expected to decrease by 40%
- Revamped team with Planning Director
- Improved quality and time-to-completion of critical shop instructions

*"We are confident this new approach will change the industry dynamics and be of huge benefit to our customers and the shops. Keystone's insights and hands-on involvement were critical to our success."*

VP - Maintenance Planning