

Order to payment process



Multinational appliance manufacturer



Objectives

Client had concerns about the management and cost structure of the (R&D) research and development department.

There was no project related cost planning or control, which was damaging margins.

A very large amount of internal initiatives such as OTP (order to payment process) were on-going within the R&D as they needed to reduce costs by about 15%

The scope was to look at interfaces with the marketing, logistics, planning, production and controlling. The main themes were improvement in the R&D processes, project management and systems.



Tools

- Reviewed standard times for work content for each cost center, and changeovers
- Defined 75 production base models and the standard assembly time and cost for each component
- Trained managers of all levels and functions on roles and responsibilities, management control systems and problem solving techniques



Outcomes/ Deliverables

- Improved attainment levels from 93% to 97%
- Improved productivity by 10%
- Increased output by 5%
- Improved problem solving techniques for management

Proudfoot