



Railway Maintenance Shop Gets On Track with Large Manufacturing Contract

A family-owned railway maintenance and repair company with nearly 70 years in the industry was awarded a contract that would transform their business. The company received an order for 82 material handling cars from a large national railroad company in 2021. The challenge for the client was that, historically, their business produced custom engineered products in small quantities for their clients. Furthermore, generally speaking, most of their products were delivered to an internal customer, which provided a lot of leeway for delivery times. Now, they



The DB&A Difference

Analysis Financial Results

- ▶ Proposed Project Cost: \$2,012,800
- ▶ Guaranteed Savings: \$3,209,000
- ▶ Guaranteed ROI 1.6:1
- ▶ Planned Out of Pocket: \$1,202,334
- ▶ Project Payback: July 2023

Actual Financial Results

- ▶ Annualized Savings: \$7,087,000
- ▶ ROI 5.9:1

Immediate Operational Results

- ▶ Reduced car assembly from over a month to 20-days
- ▶ Improved productivity 75%

were committed to delivering a large order of identical vehicles at a high rate.

At the end of 2021 the company committed to deliver 20 rail cars, but they had delivered zero. The company brought in DB&A with the primary purpose of helping the company improve throughput and get their delivery schedule on track.

In April of 2022, DB&A completed an analysis and identified the issues impacting this project. In June, DB&A consultants took to the floor and began working with front-line managers alongside executives to implement the necessary changes to the company's management culture.

DB&A recognized that the client was needing to make a shift from being a "job shop", where they primarily focused on fleets supply and OEM, to servicing a substantial contract for an external high-volume customer. This was going to require converting from a job shop format to an assembly line with a manufacturing process.

DB&A worked with the front-line managers to create and adhere to daily and weekly schedules.

DB&A coached them on how to identify and address problems proactively to improve overall productivity. Before DB&A's involvement, the company didn't have a repeatable, predictable plan. This led to many employees being idle during the first hour of the shift awaiting direction as to what their expectations were for the day.

DB&A developed a schedule cadence, so managers clearly knew what work needed to be completed each day. They implemented meetings at shift starts

so employees knew what they needed to accomplish that day. And the leadership received training on how to properly manage the shifts. With these steps implemented, over 90% of employees were actively engaged in work during the first hour of their shift and remained more fully utilized throughout the day.

By teaching and demonstrating to the leaders how to effectively engage with their employees, the client was able to develop the skills needed to make a repeatable process. Additionally, they learned to create and execute a schedule that would meet their index plan to deliver cars on time. Now, instead of consistently pushing back estimated shipment dates, managers were questioning variances to shipment dates, addressing issues swiftly,

and became more consistent with meeting target car shipment dates.

By the end of June 2022 the client delivered the 31st car of the 82-car order. As DB&A closed out its contract with the client in March 2023, they were delivering the 72nd car of the contract. DB&A helped the company implement processes, which reduced the manufacturing time of a car from over 1,300 labor-hours and over one-month in duration to 900 labor-hours and only 20-days, which was a 31% reduction in labor-hours and a 33% reduction in manufacturing days per car. The cumulative reduction of hours during DB&A's project saved the company 16,125 labor hours. The total annualized savings for the project was \$7,087,000.



Since 1987 DB&A has provided cross-industry management consulting delivering 15-20% in operational and financial improvements to our clients with a financial guarantee. We deliver customized solutions that maximize existing resources to increase efficiency, capacity, and productivity. Our approach is to work with all levels of management to transform management culture in order to drive accountability where it matters most: the front-lines. For more information visit www.dbareresults.com or email contact@dbareresults.com