

# Supply Chain Cycle Time Improvements

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## OVERVIEW

For a large complex Oil and Gas Company building a new multibillion dollar Liquefied Natural Gas plant on a nature reserve thousands of miles away from the nearest large city brought with it many challenges. With up to 8000 workers on the project site, the demand for not only construction materials and equipment but the supplies to keep the small town functioning was huge.

## THE CONTEXT AND CHALLENGE

The bottle neck in the supply chain was recognized to be a cross docking operation. The cross dock received, assembled and on-forwarded goods to the construction site. The average time for goods to go through this process was more than ten days. The cross dock operation also checked the incoming goods for correct documentation, goods quality, and risk of contaminating the nature reserve. When something was found to be incorrect a non-compliance report (NCR's) was generated.

## FINDINGS

Analysis of the non-compliance reports revealed the following problems, process flow was very disjointed in receiving, receiving workload variability, incorrect goods supplied, incorrect paperwork, poorly laid out drop off areas, goods cages poorly labeled, no one ensuring flow between receiving and processing stages, container loading not coordinated, cages too small, jobs with problems halting all jobs without problems, and poor housekeeping.



## THE SOLUTION

The following solutions were implemented: implemented triaging system to segregate goods that had issues and goods with no issues, NCR system fully utilized to manage nonconformance from suppliers and improve their performance, New floor layout designed to create increased throughput and reduced motion, clear demarcation for drop off areas so couriers would know where goods needed to be dropped off, new goods cages to suit higher demand destinations, new work procedures and implementation of bar code scanning.

## THE RESULTS

Cycle times through cross dock reduced from over ten days to less than 3 days with a financial benefits of over \$75K tangible benefits.