

Wellman Hunt-Graham Double On Time and In Full Delivery Rates with Preactor



Wellman Hunt-Graham was formed by the merger of Hunt Thermal Engineering Limited and Wellman Graham Limited in 2005 and is now the largest manufacturer of shell and tube heat exchangers in the UK. Working from a state-of-the-art manufacturing facility in Dukinfield, Cheshire, the 75+ strong workforce achieved a turnover of almost £11m in the past year with approximately 40% of all goods produced being destined for export to a diverse range of worldwide markets. When the company recognised it needed to improve its delivery date accuracy, it exchanged its obsolete and ineffectual planning system for a state-of-the-art production planning and scheduling solution from Preactor.

The manufacturing at Wellman is diverse, unique and done on a massive scale. Even the smallest orders have lead times of 6 weeks and these can extend to 18 months for larger orders which can have a value of several millions of pounds. A typical order can comprise around 110 different tasks, with the shortest measured in hours and the longest measured in weeks. Given the potential for catastrophe should any component fail, every process and task is meticulously tested and recorded to provide full traceability. And, to add to the complexity of planning the effective utilisation of the company's 9 primary resource groups, there can be up to 50 live orders physically in production at any one time.

However, according to Operations Director Chris Clarke, the planning challenges for the company begin before any order even makes it to plant floor. "Accuracy of delivery date is the primary concern of our customers as this often has to coincide with having a skilled team of installation specialists on site and the planned shutdown of very costly equipment. Failure to do so can incur cost penalties of up to 10% of the order value which on a multi-million pound order are understandably very significant!"



It is essential therefore that the company knows right from the Sales stage of an order that it can accurately deliver the required product in time. Ideally this means knowing how long the bespoke order will take to design and build, having visibility of exactly what is already on shop floor as well as accurate data as to the progress of each job. While a specialist estimating package provides an overview of the time and tasks required to design and build the order, it cannot provide any information on when this

may be possible within the finite constraints of the company's production capabilities – especially taking into consideration there may be up to another 49 jobs in progress.



Prior to investing in Preactor, the company had used a UNIX based planning package which was highly bespoke and ran on a separate UNIX partition. In addition to being highly time and resource intensive in terms of operating and maintaining, because the program worked on an infinite capacity basis it was incapable of delivering anything like the visibility and accuracy that Wellman needed. Clarke recalls his first impressions of the system when he joined the company in June 2007. “Basically, the only time it could tell you anything of remote usefulness about when a job would be ready was if that was the only job being worked on at the time.”

The consequence of this was a large amount of human resource to generate a plan which was of no use and an On Time and In Full (OITF) rate which Clarke estimates as around 50%. Needless to say, within his first month of working with this “rolling problem”, Clarke had recommended that the company urgently look elsewhere for a better solution.



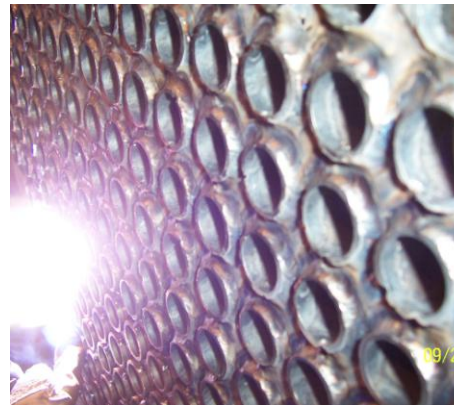
After being given the go ahead, Clarke spent time doing detailed research on the internet and evaluating product demos from several vendors. These initially proved less than positive as he recalls. “All the systems we were shown were narrow in approach and not very configurable. Every time we asked whether a system could do this or that, the answer was ‘No’.” A search of more complex systems proved equally frustrating for these were both very expensive and contained a large excess of functionality that Clarke knew he would never use.

In June 2008, Wellman began its discussions with Preactor Reseller RMS and as Clarke explains, it was immediately a very different experience. “RMS didn’t spend time trying to sell us a system – they spent a lot of time learning to understand what we did, what our problems were, and discussing how they thought Preactor could help.” He continues, “At key stages throughout these discussions, Warren from RMS would explain to us that they had done something similar and then show us a working demo so we could see for ourselves. We had confidence in the Preactor product and

its upgrade potential as well as in RMS' experience to help us get the best from the system."

Implementation commenced shortly afterwards with RMS implementing a standard Preactor configuration to evaluate with Wellman how this would work. Within a week it was clear that a different approach was needed and again RMS' flexibility was central to arriving at what has proved to be a highly successful system, as Clarke explains. "We have no need for an MRP (Materials Requirements Planning) or ERP (Enterprise Resource Planning) system as everything is bespoke and takes place over a very long time so we really need to keep as much production data as possible outside of Preactor and accessible to people in the company." Consequently, a system was developed where all the production data is retained in a master spreadsheet which calculates duration of tasks, progress updates etc. Preactor is then used to schedule what needs to be done next, and where, with this data then being exported back into the master spreadsheet.

Again, given the significant production timescales involved, this allows Wellman to quickly generate progress graphs for its customers in the exact format that they can best relate to. Clarke again, "RMS provided us with the essential Preactor framework that would work with our business and left us with full control over the development of the spreadsheets and associated reports. Because of this, we have a system we can tailor very quickly for our business and one we implemented in a matter of weeks."

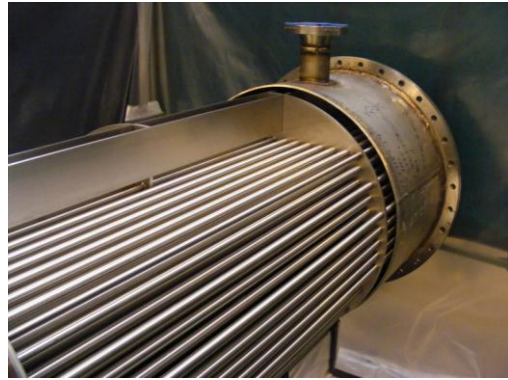


The benefits became evident in an equally short time even though they initially appeared to be anything but! Whereas the previous system had provided no real visibility, it became immediately apparent just how inaccurate and over optimistic its planning capabilities had actually been. "For the first time ever, we could actually see completely where the company was as well as the real progress of each order" recalls Clarke. He continues, "This was a real eye opener. For example, Preactor flagged up orders which according to the old system were progressing on time that in reality were weeks late. The initial response within the company was disbelief!" These were not isolated examples and there was an initial period of time when people simply couldn't believe what Preactor was telling them. Yet time and time again, the information from Preactor proved itself correct.

So much so that the company has gone from an OTIF delivery rate of less than 50% to 85-90% since implementing Preactor. Not only does it generate what needs to be done next for every order across the entire production floor, it can also quantify the reasons why as well showing the impact of not doing so. "In this sense, Preactor is very much a management tool for us", explains Clarke, "because it allows us the flexibility to do what we need to do for our customers. If we do have a problem which means an order might run late, we can see these weeks away and make the necessary decisions internally about how to respond."

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Another area that Preactor has benefitted Wellman is in the time and cost savings in actually using the system compared to the old UNIX program.

Not only has Preactor freed up half of the planner's time, it has allowed other less specialised personnel within the company to use Preactor. This has allowed the planner to put much more time into the growing role of Customer Contract Manager which in turn is having a direct benefit across the company in terms of focussing on delivering even greater levels of customer care. Preactor has also helped reduce bottlenecks by highlighting the need to subcontract operations; this is estimated to be around 20% which in turn has reduced Work in Progress (WIP) on the plant floor.

Since implementing Preactor, Wellman has added a Shop Floor Data Collection (SFDC) system which allows the start and finish times of each task to be recorded. This in turn is being fed back into the company's bespoke estimating system allowing that to generate shorter and more accurate lead time estimates for customers which strengthens Wellman's position in the marketplace. Looking to the future, Wellman is currently investigating using Preactor to also help plan the company's complicated testing requirements as well as in the design department. As for now, Clarke summarises the value of Preactor to Wellman as follows. "Preactor hasn't helped us work harder, but it has helped us work a lot smarter. It has benefitted the primary area of the business it was intended to and this has helped benefit the way the company as a whole performs."