

Case Study

AI Materials

8 employees, based in Sheffield



Mark Burton, Managing Director

“An MD of a small business can often feel that he has nowhere to turn for really reliable help and advice with problems that he just does not have the time to sort out himself.

MAS provides people with the skills and experience to step in at a practical level and make a difference straight away.”

“Working with Mike Andrews and the team at MAS has been a real boost to our Company. “

Company Profile

Founded in 1993, AI Materials supplies titanium, nickel alloy and stainless bar, sheet, tube and forgings to a wide variety of markets, including Oil and Gas, Industrial Fasteners and specialist Engineering industries. About 25% of its business is exported mainly to Europe, with some to Asia and South America.

The Company had initially built a good reputation, but in early 2000 it had started to lose its way. In September 2003, Mark Burton and a local entrepreneur, John Robinson bought the company. Mark is now the major shareholder. Mark and John set out to restore AI Materials' reputation for quality and customer responsiveness.

Whilst they achieved much success, by mid 2005 delivery performance was still below one of the company's ISO 9001:2000 objectives: to achieve 90% on time delivery. It was at this point that AI Materials Ltd contacted the Manufacturing Advisory Service (Yorkshire & Humber) 'MAS'.

Working with Manufacturing Expert, Mike Andrews of MCCR & Associates (a MAS Associate), AI Materials undertook a 15 day manufacturing improvement project which focused on addressing the delivery performance issue.

Key Achievements

As a result of the 15 day manufacturing improvement project, the company achieved the following improvements:

- 12% improvement in delivery performance over the five months of the project;
- 35% improvement in baseline value added; and
- Increase in stock turns from 4.9 times per year to 7.9 times per year – a 62% improvement.

AI Materials is now undertaking a strategic manufacturing improvement project with MAS to further improve supply chain relations and develop stock holding processes which will enable them to effectively handle the transition to holding more stock in house.

Making it Happen

The project began by establishing delivery performance baselines so that actual performance could be captured and analysed.

The result of this showed that only 40% of orders were meeting the agreed delivery deadlines – quite a way off the company's ISO 9001:2000 objective of 90%.

With this information in hand, MAS Manufacturing Specialist Mike Andrews began to dig deeper into the deliveries which failed to meet their deadlines to try to identify common causes.

Mike checked the Company's current processes and systems and quickly identified issues that were affecting the Company's ability to meet customer expectations.

Mike then analysed the different types of orders which the company handled. He identified that stock orders were reliably good, mainly because the whole sales supply process was under the control of the Company.

However on orders where the company operated in a supply chain (receiving stock and goods from sub-contractors before dispatching to the customer), the ability to meet delivery targets was very poor.

The results of the orders analysis was presented to the company's management team and an action plan agreed which would fundamentally change the way AI Materials looked at their supply chain.

The Company agreed that they would:

Increase stock orders thereby reducing the reliance on sub-contractors; work with existing suppliers to improve their reliability and negotiate higher priority for AI Materials orders; and source new suppliers who can better meet AI Material's requirements, including the sourcing of suppliers who can produce smaller sizes of ingot.

Highlights of Achievements

- 12% improvement in delivery performance over the five months of the project;
- 35% improvement in baseline value added; and
- Increase in stock turns from 4.9 times per year to 7.9 times per year – a 62% improvement.

What AI Materials people said:

"I have seen a big improvement in output and orders since the project started."

John Rhodes, Inspector

"It's brilliant. We are not perfect yet but there has been a big improvement in the customer's view of us."

Muriel Slater, Sales

"The biggest advantage to me has been the time it has given me to find other ways of producing and other routes."

About MAS

MAS is a national DTI initiative, delivering practical, hands-on manufacturing advice and expertise to help you improve your performance. Delivered by experts with real-life knowledge and experience, MAS has already given advice to hundreds of businesses in Yorkshire & The Humber. Why not see how MAS can help your business?

For more information

If you feel your business could benefit from MAS, why not complete your details below and fax to us on **0113 368 5261**. You can also contact: enquiries@mas-yh.co.uk or visit the website www.mas-yh.co.uk

Fax Back... Fax Back... Fax Back... Fax Back... Fax Back... Fax Back...

Name: _____ Job Title: _____

Company Name: _____ Nature of Business: _____

Address: _____

Telephone Number: _____ Email: _____

I would like MAS to contact me to discuss (please tick box/es):

- | | | |
|---|---|---|
| <input type="checkbox"/> Hands on manufacturing improvement | <input type="checkbox"/> Product development | <input type="checkbox"/> Continuous improvement |
| <input type="checkbox"/> Technical and materials issues | <input type="checkbox"/> Managing organisational 'change' | <input type="checkbox"/> Workforce training and development |
| <input type="checkbox"/> Lean manufacturing | <input type="checkbox"/> Process analysis | |
| <input type="checkbox"/> Manufacturing control and factory layout | <input type="checkbox"/> Improving workforce productivity | |

- I would like to join the Manufacturing Network and receive a free monthly e-newsletter about funding opportunities and events

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