

2010 Showcase in Excellence Award Recipient

Boeing-Mesa Production Engineering & Materials Support Division Organization

“Distribution Center Operation Flow and Cycle Time Reduction”



Boeing's Distribution Center in
Mesa Arizona

Testimonial of Value of the Arizona Performance Excellence Award Program

“This independent assessment and recognition reflects the benefit of applying the Boeing Production System’s lean principles to support operations such as Tool Services and Distribution Center Operations, as well as the power of customers and suppliers working together to common goals.”

*Mike Hadley, Sr. Manager Materials Management
Military Aircraft, Global Strike, Boeing Defense, Space & Security
Mesa AZ*

Company Information:

Highest Ranking Official:
Tony Ham, Mesa Site Manager

Contact Person:

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Type of work:

Receiving, storing, issuing, kitting, and shipping material to U.S. and International locations.

Workforce:

The Distribution Center is staffed by 118 employees; the Mesa site employs approximately 3,400.

Highlights of Organizational Process:

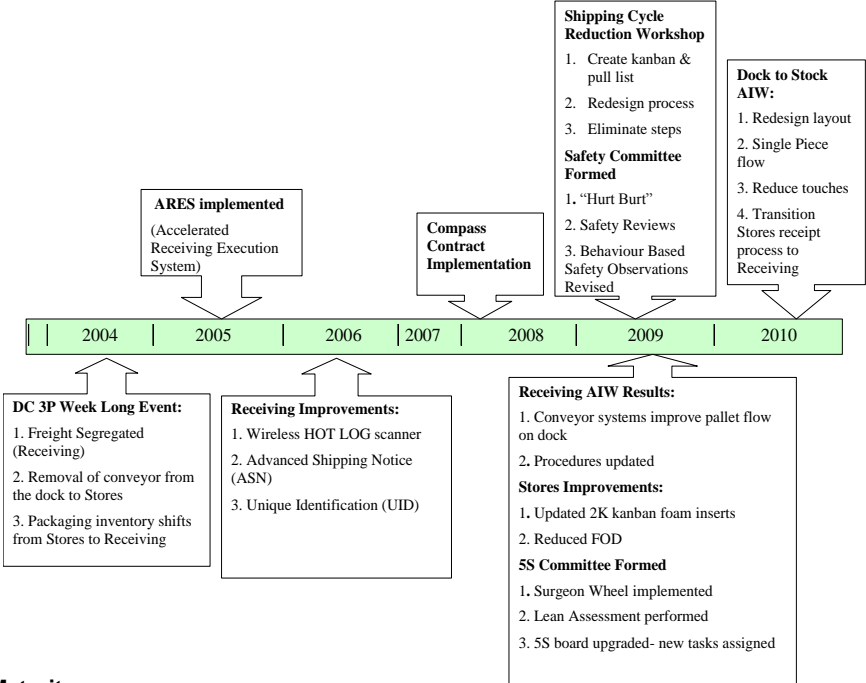
The Distribution Center has been improving material handling operations for the last six years. There are approximately 118 employees performing 4.5 million transactions annually managing parts and material for our customers.

In order to remain competitive, the Distribution Center focused on the cycle time and material flow of key products and services it provides. Through lean principles and Employee Involvement Teams significant process was accomplished in many of these key areas.

Development of Receiving and Transportation software, Cycle Time Reduction Workshops, initiating 5S and Safety Committees and use of the Lean Manufacturing Assessment all contributed to the progress validated by the AQA process. The most important element is not what has been accomplished, but where we need to go in the future. Through the Showcase in Excellence process, the Distribution Center now has a collective roadmap and future goals targeted to continue our lean journey.

The decision to view the Distribution Center as a stand-alone business entity and to evaluate it as such provided the foundation for use of the Lean Manufacturing Assessment (typically a manufacturing process) as a measure health for the Distribution Center. Lean+ was selected as the overarching continuous improvement approach to drive needed changes in balancing the needs of all our stakeholders and to remain competitive. Application of the 9 Tactics (Value Stream Mapping; Balancing The Line; Standard Work; Visuals in Place; Point of Use; Feeder Line; Process Breakthrough Redesign; Pulse Line, Move the Line), AIW's (Accelerated Improvement Workshops), 5S (Sorting, Simplifying, Sweeping, Standardizing and Self Discipline) and Employee Safety have set the direction toward injury prevention, waste elimination, customer focus, clear and visible material flow and continuous improvement. There have been many improvements made within the last six years to increase the velocity of the material flow. Twenty-six major improvement activities can be seen in the Distribution Center Improvement Timeline on the chart below (Figure 2). Also included is the Employee Involvement (E.I.) Team Maturity Time Line which shows how E.I. teams in the Distribution Center responded to the business conditions from 2004 to 2010. A key factor in designing, implementing and maintaining cycle time process improvements Employee Involvement is essential and the correlation between E.I team maturity and business conditions becomes apparent in Figure 2.

Distribution Center Improvement Timeline



E.I. Team Maturity

2004	2005	2006	2007	2008	2009	2010
1 ea Stage 3	1 ea Stage 4	1 ea Stage 4	5 ea Stage 4	5 ea Stage 4	6 ea Stage 4	6 ea Stage 4
5 ea Stage 1	1 ea Stage 3	5 ea Stage 3	2 ea Stage 3	2 ea Stage 3	1 ea Stage 3	1 ea Stage 3
	3 ea Stage 2	1 ea Stage 2				
	1 ea Stage 1					
Total 6	Total 6	Total 7	Total 7	Total 7	Total 7	Total 7