

Spinning Planet Case Study

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“Web design company adopts Lean manufacturing and in less than one month the business eliminated wasted time and doubled productivity.”

“I attended a Vision Manawatu Trade and Enterprise training course on Lean Manufacturing presented by Strategia. Though the course was targeted at manufacturing companies the ideas were very relevant to my business such as measuring and streamlining tasks. In less than a month my business doubled its productivity so I strongly recommend Strategia and the adoption of lean principles to other businesses.”



Spinning Planet is a professional web design and hosting company and was established in 2000. Our core business is internet technology and design, over the last four years we have tripled in size and we are now preparing for the next internet revolution.

Originally we got involved with Strategia when I attended a Lean Manufacturing course at Vision Manawatu that comprised four sessions. This course was the sole reason we doubled our productivity as I became aware of the measurements I needed to have in place for business success and how to plan for success.

Problem

We had a number of issues and inefficiencies and we were spread very thin. Our biggest problem was low productivity which I had been trying to resolve for over two years, we were growing fast and making a lot more income but any new profit was being absorbed by inefficiencies and climbing expenses. We had a large amount of WIP; the workplace was unstructured with ill-defined business plans and goals and poorly defined work management processes.

We were meeting our customer needs and achieving company revenue targets, work was flowing in, however our margins and profit were low. In some cases we were losing money, for example we quoted \$15,000 on one particular contract yet it cost us \$50,000 to deliver.

Everyone was stressed, there was almost a revolt going on, we had suboptimal work flows through office, our lead times were long and we were wasting an excessive amount of time. I wanted to increase profit, productivity and to improve the work environment as we were stressed and working very long hours.

Strategia's Approach

Previously I'd attended lots of other courses, but the Strategia lean course was the one that made the most significant change in the shortest amount of time. It was like a light bulb came on and it changed everything!

After the lean course Richard Brathwaite from Strategia visited me at the office, this visit was fully funded by New Zealand Trade and Enterprise (NZTE) via the Enterprise Training Provider (ETP) programme. He queried me about the company vision and strategy, structure, roles and responsibilities. We discussed the office area, the flow of work and

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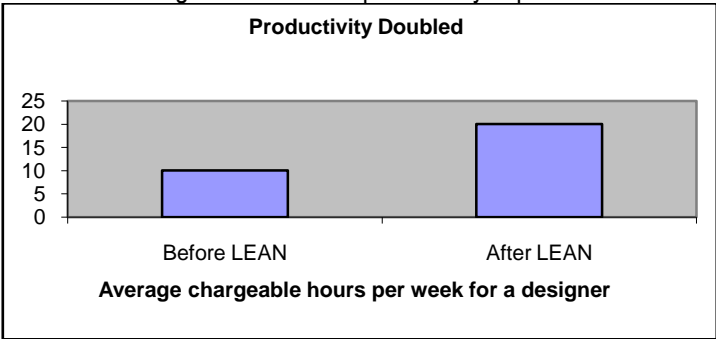
clarified the gap between what was needed and what we had. He helped us identify where shortfalls were in skills and general capability and the best way to address them. He identified numerous types of waste (especially time) and provided simple effective ways to sort them out, and suggested numerous visual management techniques to help make work easier to manage. He helped design work management techniques that motivate staff to be self managing and we subsequently put measurements in place.

Results

Very quickly we saw tremendous results. We increased our productivity which I had been trying to do for over two years; we have doubled our productivity with half the amount of staff. Staff who were not doing chargeable work left. Those that remain are highly productive, motivated and enjoy their work. People are less stressed, we now work a 40 hour week and finish by 5.30pm sharp. We have experienced a massive drop in WIP; we have stopped wasting time and are getting through work much faster. We have daily short production meetings where we plan the day and the week and track progress against targets and goals.

“Strategia helped me nail the problem within a couple of hours which gave me a 100% productivity improvement.”

We measure productivity by Target Stage Complete (TSC) which is a metric for chargeable hours. Last year the TSC for a designer averaged 10 hours per week and now it is averaging 20 hours per week with occasional peaks of up to 40 hours week.

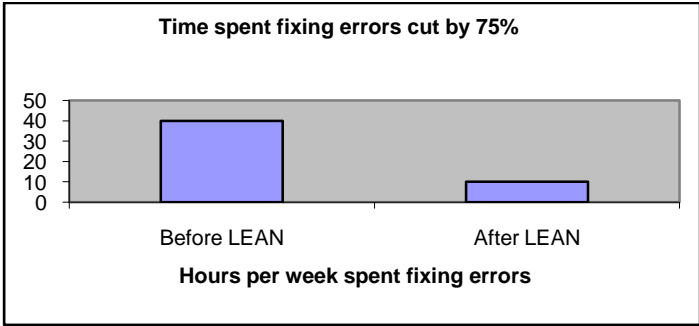


We simplified our product range and now focus on our core products and profitable contracts. Quality has increased and we have put in place policies, procedures and measurements. We’ve freed up office space, achieved better utilisation of the area and improved the work flow.

Our clients have noticed and remark that we are very professional and that they are benefiting from better results from our products and services. We are very clear and transparent in our dealings with them; we can set and meet realistic expectations.

Our culture has changed. We are forward looking and are about to be the first green host organisation. We have slashed our power bill from \$1250 per month to \$250 month, a saving of \$12,000 per annum. It is a positive initiative, which is good for the environment as well as cutting business costs.

We used to spend more than 40 hours per week fixing up problems, now that is down to about 10 hours a week. Margin has improved; we had many contracts and products that weren’t profitable. It is imperative that you make sure that the projects you do actually make money and that your staff understand that their job is to make money for the company. We now stick to our core products and services and do them well.



I definitely recommend and value the service Richard and the team at Strategia provide. If only I had known about these things 10 years earlier, if I was starting out in business this is the course I would do, it is good common sense, not too academic and it applies to a wide range of businesses.