

CASE STUDY



Value Stream Transformation

1. Company Overview:

Steelcase was founded in 1912 in Grand Rapids, Michigan. The company is the largest office furniture manufacturer in the world with facilities, offices, and factories in the Americas, Europe, Asia, Australia and Africa.

Products and Services:

- Office furniture
- Architectural and technology for office environments and the education
- Health care and retail industries

Key Figures:

- 11,000 employees
- 80 locations, 800 dealerships
- USD \$3.1 billion revenue

Lean Story:

- 1989: World-Class Manufacturing
- 1996: Steelcase Production System
- 1999: Worksurface Lean Cell
- 2002: File Cabinet Lean Plant



2. Original Situation:

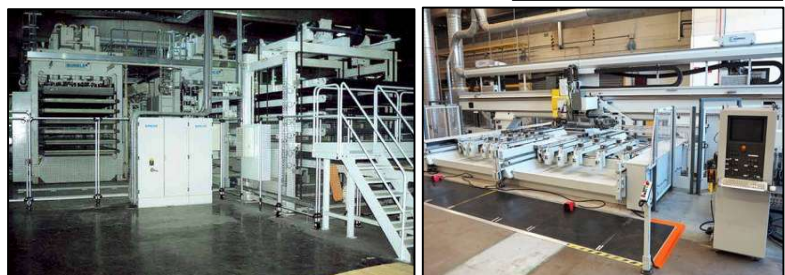
Product Line:

Answer and Secant are two Steelcase product families introduced in the late 1990's. They support both individuals and groups, in resident and nomadic settings, with the flexibility to evolve with the needs of the organization.



Manufacturing Line:

- Annual Growth: 40%
- Capital Intensity: \$10.5M
- Internal Quality: 93% yield
- Throughput time: 2.5 day
- Training Needs: High



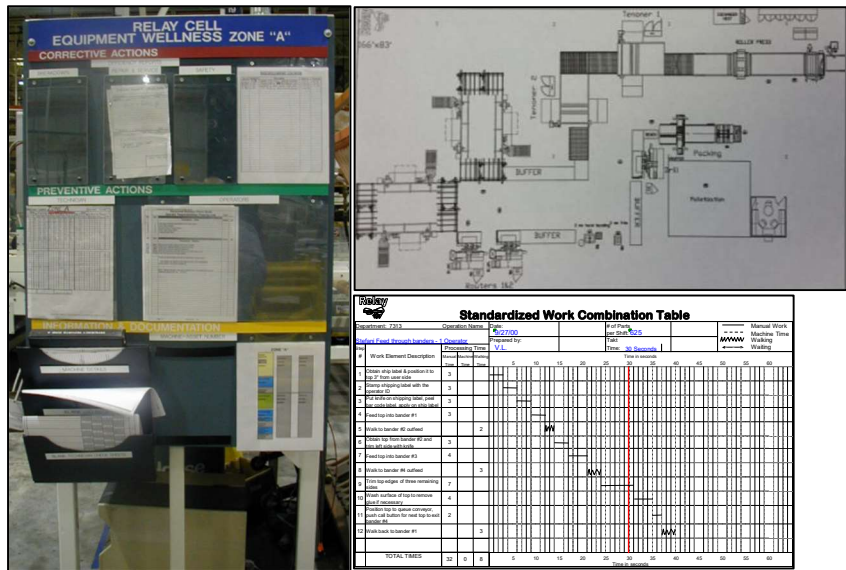
3. Lean Intervention:

Planning:

- Product family analysis
- Value stream mapping
- Value added step breakdown
- Product design changes
- Equipment design with patents
- Total cost analysis (ABC)

Implementation:

- New process experimentation
- FMEA
- Standard work
- Total Productive Maintenance
- Mix model levelling



4. Results and Learning:

Metrics	Baseline	Results	Improvement
Direct Labor	\$9.44	\$5.35	43%
Scrap	\$2.76	\$1.75	37%
Material Handling	\$0.75	\$0.00	100%
Utility Cost	\$1.10	\$0.54	51%
Throughput Time	2.5 days	45 min	96%
Yield	93%	97%	57%
Capital Spend	\$9.5M	\$4.3M	45%



Learning:

- Value stream mapping with Mike Rother
- Value add analysis with equipment and labor
- Mix model levelling with line balancing to TT
- Total productive maintenance
- Total cost analysis (support, utility, capital, etc.)
- Employee engagement with daily improvement
- Leader standard work

