

## Four Keys to QRM

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*Quick Response Manufacturing (QRM) can rightly be called the production strategy of the 21st century. This approach, which is specifically designed for companies with small product series and great product diversity, focuses on shortening lead times throughout the company. Which is why this strategy can seamlessly meet the production needs of today.*

Does your organisation lose a lot of time for no good reason? Do orders overrun, leaving your customers waiting? Then you are probably working in a cost-driven organisation. Cost-driven organisations believe that a focus on cost reduction will strengthen their competitiveness, but often at the expense of their responsiveness. In contrast, there are time-driven organisations. Time-driven organisations see speed as their main advantage over the competition. By focusing on speed, they can not only serve their customers faster, they force themselves to eliminate all kinds of time wastage in their organisation. They can also cut costs over the long term.

But how do you get faster these days? Quick Response Manufacturing (QRM) provides the answer. This production strategy has been developed specifically for companies that work with small product series and often have to deal with high product diversity. The strategy focuses on reducing lead times across the entire enterprise - from order entry and engineering to manufacturing and shipping.

Quick Response Manufacturing was developed in the 1990s by the American [Professor Rajan Suri](#) of the University of Wisconsin, in collaboration with a large group of companies. The results at these companies were astounding. The lead times were reduced by an average of 80 percent, reducing costs by 25 percent. They also saw a positive effect on reliability and quality.

There are four keys which can help you to unlock the benefits of time-driven organisation:

### **Key 1: Make everyone aware of the effect of time**

Just follow an order as it passes through your company. There's a good chance you will have to conclude that for more than 95 percent of the time the order is waiting for another step to complete. What's more, the actual handling of the order takes up less than 5 percent of the lead time. These long delays typically result in high overhead costs.

Now imagine that the lead time is 90 percent shorter. You might see the disappearance of all kinds of intermediate stocks, you might need less storage space, production planning will become simpler, sellers can concentrate on selling instead of tracking the status of orders, ... Long lead times typically create many hidden indirect costs. A focus on lead time reduction is therefore the ideal way to get the indirect costs under control.

## Key 2: Eliminate the bottlenecks in your organisation

Overloaded employees and machines are probably the main reason why organisations are slow to respond. So limit the load on your resources to 80-85 percent. They can then spend the remaining time on improvement, training, ... This may sound like an expensive solution, but in practice we often see that it leads to a significant saving on overheads. At the same time, you finally have the time to improve your organisation structurally and to build for the future.

## Key 3: Adapt your organisational structure

Many organisations are organised into functional silos, each with its own manager. This often hinders communication and collaboration between departments. By arranging the organisation into 'cells' in which all the steps are brought together for a particular product family in one team, you can drastically shorten lead times. The next step in this process is the cross-training of employees. Cross-training often allows multiple steps to be performed by one person, which automatically eliminates the waiting time between steps. This will also add flexibility to your organisation, enabling it to respond quickly to absences and fluctuations in demand.

## Key 4: Focus on lead time reduction throughout the company

Quick Response Manufacturing is a company-wide strategy that is not limited to production. It can also greatly improve office procedures. Often an order spends half its lead time in the office stages. Many companies have had to conclude, moreover, that the greatest gains are often to be made in the preliminary stages at the office. Often there is even a lot of potential in the supply chain for shortening the lead time by using QRM methods.

## QRM in Belgium

Belgian companies have been successfully applying this strategy for the last five years. For instance, the Provan company in Genk was able to [cut the lead time of its stove production](#) from 3 weeks to 3 or 4 days and Sumitomo Drive Technologies (previously Hansen Industrial Transmission) in Edegem cut its office lead times by 80 percent by introducing cells.

*Sirris introduced QRM into Belgium. Sirris regularly organises training courses and advises companies on lead time reduction. The third series of the QRM Alpha training course will be starting in March, both in Zwijnaarde and in Heverlee. You can find out more about this in our [agenda](#) (in Dutch).*

Would you like to know more about QRM? Contact [us](#)!

## Authors



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