

# DoD contractor improves cost in major program..... remains competitive in their customer bidding

Our client, a leading Aerospace & Defense company, produces system controls and electronic warfare systems for military and non-military applications. This client has repeatedly engaged Implementation Engineers over the years to solve tough challenges when internal resources were unable to do so.

This particular defense contractor, like many other DoD suppliers, was struggling to meet on-time shipments as well as aligning system costs with budgetary commitments. Implementation Engineers was engaged to analyze the issue, develop an improvement plan, and implement ship-set assembly hours per unit (HPU) reductions in order to satisfy on-time delivery and meet budgetary commitments.

In order to remain competitive for future government bids, our client needed to reduce their HPUs to be in line with customer expectations.

1. During the analysis, focus interviews and floor observations were conducted. Additionally, prioritization tools, impact/effort matrices, and timelines with RACI and SPI indexes helped to identify and prioritize key processes driving HPU variance to target and misalignment, and bolstered improvement opportunities.
2. Initial opportunities were quickly identified in a number of areas, including circuit card assembly, micro-electronics module fabrication, final module integration, and ship-set box build. One lacking system element identified was in the client's tracking of the key output metric, HPUs. The system targets had not been established for each process step in order to measure variance to target. **IE spear-headed the target implementation and tracking.**
3. A "War-Room" was created to track project deliverables to target, **achieving the 180% improvement to goal.** 53% of those were unique to the particular Program, with the other 47% leveraged against sister Programs and implemented in this targeted improvement project.
4. IE **worked hand-in-hand with the client team** to validate findings real-time, and begin working on 'quick wins' and long-term sustainment systems. Client personnel were exposed to a **world-class project management and variance-to-target tracking system** to better identify, prioritize, and sustain improvements through this journey.

## 180%

Hours Per Unit  
improvement opportunity  
identified to target  
objective

## \$1M+

Identified cost  
improvement  
opportunity

*As a result of the improvements, the client personnel were able to better manage HPUs, reduce overall system costs, and improve process accountability. These improvements were vital to our client's ability to remain competitive in their bids.*

