

Morgan Corporation

Morgantown, Pennsylvania

Client

Morgan Corporation is a national leader in manufacturing, servicing, and supporting delivery truck bodies with over 1,000 employees.

Problem Statement

Morgan more than doubled its sales in a three-year period. Unfortunately, the company culture, facilities, and systems did not keep pace with the company's growth. Morgan's buildings and equipment was the residue of years of fire fighting and quick fixes. There were no plans for growth and there was no clear vision of what should occur beyond the next week. In an effort to improve conditions at Morgan, leadership identified the control of inventory as its top priority, and contracted the services of Tompkins Associates to assist in this business turnaround.

Scope-Of-Work

Morgan required a shift from management to leadership and an internal transformation resulting in a new culture founded on Team-Based Continuous Improvement (TBCI). At stake was leadership's ability to identify a priority and make something happen. Morgan leadership was in dire need of a structured process to allow the company to manage the exceptional growth and provide it with direction and a plan for continued success. As a part of implementing the Team-Based Continuous process, Tompkins:

- Established a Leadership Team and facilitated the development of a Model of Success for the organization
- Developed the leadership abilities of the corporate staff
- Facilitated the development of long-term priorities
- Implemented several strategy teams to focus on specific big picture improvement opportunities
- Implemented numerous work teams to take action on short-term improvement opportunities

Results

The initial success for Morgan revolved around the short-term improvement efforts in warehousing and inventory control. Within two months of the TBCI implementation, teams were able to make significant improvements. Some of the benefits included:

P R O J E C T D E S C R I P T I O N

- An increase of 54 percent in specific address inventory storage locations
- An inventory accuracy improvement from 50 percent to 96 percent in the primary SKU category
- A 50 percent reduction in inventory costs.
- A productivity improvement of 95 percent in cycle counting and material delivery related activities
- An 80 percent reduction in scrap through improved raw material storage, material handling, and rework policies and procedures