



WHITEPAPER

# Justification Statements

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Download our latest whitepaper, 'Sample Project Justification Statements,' to uncover actionable insights for improving on-time delivery, reducing downtime, optimizing material costs, and more.

## Revolutionize Your Manufacturing Operations!

Manufacturers enhance operational efficiency and profitability with our latest whitepaper on "Sample Project Justification Statements."

Discover actionable insights into improving on-time delivery, reducing downtime, optimizing material costs, streamlining processes, and eliminating touch-ups. Uncover the low-hanging fruit in your organization by connecting data challenges to their impact on the bottom line. Learn how strategic data solutions can align with your corporate objectives, increase capacity, boost revenue, and fortify your market position.

Download now to gain a competitive edge, address critical business needs, and propel your manufacturing processes toward excellence.

## Sample project justification statements

Where is the low-hanging fruit in your organization? How do you connect the data problem you're trying to solve with the impact it has on the business? Here are five statements that connect different types of data issues to the underlying business need. Notice that while some have a direct measurable impact on the bottom line, others are not so clear cut. Each situation is different.

### On-time delivery

An opportunity exists to improve our tracking of on-time delivery and improve customer service and satisfaction. This effort will mine data from our order entry system and track individual orders through each significant milestone from order entry through delivery to the customer. Detailed anecdotal information about problems will also be captured from process owners. Project teams will be chartered to reduce or eliminate bottlenecks identified by this information. While attaching a credible dollar value return on this investment is not possible, this critical enabling infrastructure is required to meet our corporate objective of "Profitable Perfect Product On Time Every Time."

### Downtime

An opportunity exists to reduce unplanned work cell downtime by capturing downtime events and the reasons for downtime and using that information to prioritize and address chronic downtime. A one-tenth of one percent (0.1 percent) reduction in unplanned work cell downtime will increase capacity and revenue by \$nn. These additional revenues will fall directly into the income statement. Our conservative estimate is that we can reduce downtime by x.x percent. This effort is essential to work on now because production cannot keep up with demand for our product, and unfulfilled demand creates an opportunity for new competitors to enter our market and erode our long-term relationship with our customers.

## Overpack

An opportunity exists to improve and reduce material costs by optimizing product weights, beginning with the Fill operation and ending with the Packaging Department. This effort should result in an estimated savings of \$nn in the first three months of deployment and an estimated \$nn per quarter thereafter. This process is essential because material costs have become more volatile, and margins are at risk. This effort is chartered on \_\_\_\_\_. Our goal is to complete this effort by \_\_\_\_\_.

## Shadow IT

An opportunity exists to reduce the cycle time on continuous improvement projects and the time engineering staff spends on “shadow IT” work. By setting up automated data collection systems in production and test, and linking that data automatically to our MES system, our engineering teams can eliminate the hours they spend each week compiling, sorting, combining, and massaging data from various systems. The time they save will be directed to analyzing problems and supporting solutions. This project is vital to work on now to minimize the time to value for each of our continuous improvement projects.

## Eliminating touch-ups

An opportunity exists to reduce WIP and increase inventory turns by reducing or eliminating touch-ups following solder. On average, each cell has from three to five racks of product on hold following test for touch-up and retest, and the racks turn over about every three days. Each rack contains \$x of material. Eliminating these touches will improve on-time delivery, days order to cash, and customer satisfaction. This effort will establish an improved data system for routinely capturing rework data, so project teams can better prioritize design and process improvements and systematically eliminate underlying causes.

**In conclusion,** these sample project justification statements highlight the diverse opportunities within an organization to leverage data solutions for enhanced efficiency and profitability.

By strategically addressing issues such as on-time delivery, downtime reduction, material costs optimization, managing "shadow IT," and eliminating touch-ups, businesses can make significant strides towards achieving their corporate objectives. These projects align with overarching goals, such as delivering a "Profitable Perfect Product On Time Every Time," and provide tangible benefits, from increased revenue and improved customer satisfaction to streamlined processes and reduced material costs.

The urgency to embark on these initiatives is underscored by the changing landscape of material costs, the need for increased production capacity, and the importance of minimizing cycle times in continuous improvement projects. As organizations prioritize these data-driven solutions, they pave the way for sustained success, competitive advantage, and a future marked by operational excellence.

## About Hertzler Systems Inc.

Hertzler Systems is a leading provider of seamless, accurate, actionable manufacturing intelligence solutions that drive business value. Their customers experience:

- Increased revenue through improved customer satisfaction and increased operational capacity.
- Higher operating margins through reduced material costs, reduced non-value-added activity, and increased value-added activities.
- Reduced asset levels by improving inventory turns.

Hertzler's clients include Daiken, Taylor Made Golf, Altium, Reynolds Consumer Product, Campbells Snacks, Titleist, Pactiv Evergreen, Textron, and Graphic Packaging International, to name a few.

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