

Arnlea Systems, based near Aberdeen, is a global provider of high quality industrial software and RFID solutions that help companies working in the Oil & Gas industry to improve Operational Excellence and Auditable Tracking in the areas of Asset Integrity, Reliability, Frontline Workforce Productivity and Inventory Control.



Lean Team

Kevin Boyd – General Manager

Richard Young – Engineering Manager

Why Lean Thinking?

Arnlea is a small business with extensive growth planned over the foreseeable future. The executive management are keen to create lean processes at this early stage of growth and to develop a greater understanding of the application of lean tools throughout the business.

Lean Project Objective

The Lean project was to be divided into two sections:

- To analyse front end processes with the objective of streamlining activities throughout the business.
- To focus on technical delivery processes with the aim of improving productivity

Detailed Project 1 analysis

The team mapped current front end processes from receiving an enquiry through to project initiation. This led to identification of 'disconnects' and the visibility of timings for sub-elements of the process. There were several wastes documented which could be reduced once the team had had time to digest and document the impact on the business.

As the analysis created momentum the team identified potential changes that could streamline the overall process. This led to the development of a 'future state map' that had the potential to reduce the overall cycle time from 28 weeks to 11 weeks. This is currently being implemented and will free up time for the executive management to work on the strategic growth of the business. This new process would enable Arnlea to qualify and calculate return on investment when dealing with client projects at an earlier stage. This is key to achieving optimum resource efficiency.

Project 1 benefits

Primary benefits and potential savings:

- Earlier qualification of client needs
- Increased win rate of projects with the potential to increase sales by £200,000
- High utilisation of existing sales resources
- Reduced average time per enquiry at a saving of £23,000 per annum

Arnlea have created an implementation plan that will be completed within six months.

Detailed Project 2 analysis

The team mapped out a typical project life cycle from project initiation through to full commissioning. This included client purchase orders, contract reviews, materials purchasing, client specifications, software implementation, internal tests, contract documentation, contract commissioning and client training in new systems at client site.

The wastes that were documented within the process led to team brainstorming and the formulation of Ishikawa diagrams to communicate potential benefits. Detailed resource allocation data was prepared to demonstrate value add and non-value add throughout the process. This was then tracked against the planned growth for Arnlea to be in a position to resource new projects effectively and create an infrastructure that can cope with the expected increase in sales.

A new organisation chart is being developed with key roles and responsibilities linked directly to the growth plans of the business.

Overall impact of Lean

The combined Lean projects have allowed the management team to not only plan for increased sales, but to ensure that current margins are maintained and increased.

Summary of Business Benefits

- Increase in turnover of £200,000 leading to £20,000 increase in profitability
- Improved efficiency within the sales process equating to a £23,500 saving

The future

Arnlea are interested to be involved in the creation of a network for Continuous Improvement within the Aberdeen City and Shires region to share best practice with other Lean thinking businesses.

"To deliver excellent customer value, lean thinking is vital for all companies – even small ones."