

1. Make sure your products are being made using the most efficient methods

Many products are made using methods that are not suited to their market or - more importantly - their production volumes. One common example is the use of injection moulding for complex, low volume parts, which rarely repay the high cost of tooling and would be far better suited to processes like RIM or even vacuum casting.

It also pays to be aware of the new developments taking place in the growing Rapid Manufacturing sector and the exciting innovations in the 'traditional' markets like sheet metal. Here, new production tools and software are transforming lead times, accuracy, economics and the technical capability of sheet metal components.

At Crucible, we make a point of keeping up-to-date with new developments in manufacturing, and would be happy to advise you on the most efficient manufacturing methods for your products.

2. Use modular construction methods

If you produce a range of products, it is worth considering them as whole and looking for ways to share parts and assemblies. A modular approach can save assembly time, reduce inventory costs, enable economies of scale from your suppliers and minimise repair expenses.

The potential for taking this approach is not always obvious, particularly when products are developed and updated one at a time. However, if you stand back from your product range you may identify opportunities to adopt a modular approach that could deliver some significant savings - and make your product range more coherent.

We would be happy to discuss your range with you and advise you on this in more detail as part of our free initial meeting.

3. Reduce your assembly time

Whether they are made in China or Chingford, the time taken to assemble products is often a major contributor to their cost. By looking at every aspect of how your product is assembled, some remarkable savings can be made. For example, how long does it take to put the product in its packaging? Are there any parts of the product that the customer could assemble? Could a high volume product be redesigned to be assembled faster? Why do people actually buy your product, and are there parts which play no part in the buying decision or function? Are your production tools and jigs as efficient as they could be?

Finally, and inevitably, would your product be cheaper if you change the production location? This is not always as simple as it sounds, as the cost of transport and supervising remote production locations is becoming more significant, but it remains a very attractive option for many. We would be happy to advise on some offshore suppliers who can offer low costs and high quality production services.

4. Adjust your production volumes

The number of parts or assemblies that you purchase from your suppliers clearly needs to be matched to your sales.

However, it is worth talking to your suppliers about the potential cost savings of increasing batch sizes. Some companies have very clear purchase rules which preclude this, but sometimes it is simply the case that "we have always ordered in batches of X". Increasing order quantities, particularly for small parts that carry little or no storage penalty, can make a dramatic difference to your costs. If your current suppliers can't or won't offer you better prices on larger quantities, get some competitive quotations from companies that have invested in new production equipment and software. The price benefits of working with people that use the latest technology can be significant. Again, we can assist you with looking at your options and obtaining quotes.

5. Outsource assemblies

Outsourcing can be a complex issue, particularly in specialised industries, but most products have assemblies that could be built by an experienced supplier who can do the job quicker and more efficiently than in-house staff. This is often because they are doing a similar job for a number of customers and have acquired the necessary expertise (wiring looms, for example). As well as time saved, you can also reduce costs by passing the responsibility of approvals and rejects on to a supplier that has a fully tested assembly facility.

An increasing number of primary part suppliers (moulders, sheet metal companies, etc) are offering these type of sub-assembly services as a means of broadening their commercial base. It is often worth talking to them about these services to see if they can offer a better all round cost than you can achieve in house, particularly if reject rates are significant. For more information on outsourcing assembly, call us on 01235 833785.