

PERSONAL APPAREL ASSESSMENT (PAA) CUTS OPERATIONAL COSTS

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For manufacturers today, the message is clear. They must identify ways to remove costs from their operations and improve plant efficiencies if they are going to remain competitive in a very dynamic manufacturing climate. Companies are challenged to reduce process variables and increase manufacturing consistency as they strive to gain product and cost advantages over continuing offshore threats.

When corporations and/or individual plant sites considered potential areas for reducing costs in the past, they often focused on price concessions from their respective suppliers. Converting to less expensive alternatives usually provided an immediate cost benefit. The changes implemented, however, sometimes had a negative, long-term impact on the manufacturer's cost of doing business.

The scenario tended to have a domino effect as companies pressured their suppliers to reduce prices on products that already had tight profit margins. Suppliers responded by providing less expensive items that often did not have the performance characteristics required for the tasks.

These less expensive – and sometimes inferior – products had the potential to result in increased injuries, misapplication, non-compliance, slower throughput and greater product usage over time. The added direct and indirect costs would negate any short-term cost reductions.

The Personal Apparel Assessment (PAA)

Manufacturers can positively impact their bottom line by conducting a Personal Apparel Assessment, which focuses on seven key disciplines and 35 best practices

to determine potential areas for cost improvement. These disciplines include cost performance, injury reduction, productivity improvements, standardization, SKU reduction, training and controls. The overall objective is to create a more consistent, compliant and cost-effective personal protective equipment (PPE) program.

The success of the PPE program will depend on the manufacturer's ability to track the results on an ongoing basis. Financial models have been developed to quantify measure and document the results once the PAA has been completed and the recommendations implemented. These models will allow the manufacturer to gauge the program's success and verify costs savings.

To conduct a thorough assessment, the manufacturer should align itself with a PPE provider partner that has the necessary resources and quantifiable documentation and follow up capabilities to ensure successful results. The measurement and improvement process should not end once the recommendations from the PAA are implemented. Follow up is necessary to analyze any changes that occur within the organization and to assure that new products and ideas are properly introduced. This type of measurement is just as important as the initial assessment.

The Assessment Process

Conducting a PAA goes beyond examining applications and providing product recommendations. It involves developing a complete understanding of the various job requirements, identifying critical issues, analyzing application processes and any

variables that may exist, and reviewing operating procedures and the effect they may have on employees. Providing true solutions that will positively impact the work place will be impossible without a thorough analysis of the entire process.

A successful assessment will require the support of key functions within the organization, including finance, operations, procurement, safety and, where applicable, union representatives. In most cases, each of these departments has its own initiatives. The assessment will help each department determine which disciplines and associated best practices represent the greatest opportunities for cost savings and operational improvements.

Cost Performance

Measuring the cost performance of a manufacturer's PPE products is critical to controlling the company's expenses. The objective is to identify optimum product solutions and implement best practices that will maximize performance. Employees must be asked for their input to gain insight into the total process and how PPE products are used.

The manufacturer will also want to establish a benchmark for the gloves and apparel it uses and the costs of these products. The benchmark will allow the manufacturer to use the financial models that will be put into place to measure the results of the recommendations that are implemented and compare costs. The manufacturer will then be able to document actual cost savings.

Injury Reduction

The Occupational Safety and Health Administration (OSHA) recently issued a report indicating that 70 percent of the workers that experienced hand injuries in manufacturing operations were *not* wearing gloves. Hand injuries among the remaining 30 percent occurred because hand protection was inadequate, damaged or misapplied.

The objective of any PPE program is to provide solutions that significantly reduce recordable and non-recordable hand injuries and their associated costs. Wearing PPE is often a personal thing to employees. According to the OSHA study, many manufacturers are *not* providing employees with PPE products that are acceptable to them and provide the levels of protection needed for the specific jobs. The direct (medical expenses) and indirect (lost time, decrease in productivity) costs resulting from hand injuries can be enormous. Analyzing this discipline and implementing best practices provide manufacturers an opportunity to reduce injuries and related costs.

Productivity

Manufacturers often find it difficult to determine the effect that certain changes have on productivity. Whereas productivity gains may be very positive in one department, they may create significant bottlenecks in other areas. Because of these inconsistencies, this discipline and its associated best practices probably represent the greatest opportunity for operational improvements. The more units that go out the door, the greater the potential for reducing the cost of each unit of manufactured product.

Again, one of the keys to measuring productivity gains is to have a financial model that can capture and quantify the results of changes that are implemented. Significantly reducing downtime and rework/spoilage and improving labor efficiency and output will result in measurable productivity gains and greatly reduced costs.

SKU Reduction

Organizations that have the ability to minimize the number of stock keeping units (SKUs) within their operations can directly and positively impact their working capital. An SKU reduction can be achieved by eliminating redundant and/or duplicate

products currently in use at a single or multiple sites. Eliminating redundant products and the time required to order and stock these products will result in a more efficient supply chain management system.

SKU proliferation may occur because a number of people have the authority to approve the use of new products. The best practice of giving only one or two managers the authority to approve new suppliers or products will help eliminate product proliferation.

Standardization

Every organization wants to create a safer and more consistent environment for its workers. Standardizing the products used throughout a plant and across multiple sites will help reduce the likelihood of non-compliance.

To promote standardization, the organization must determine the optimum product for a specific job and then assure this product is used for all similar applications throughout the plant and across multiple facilities. Tool crib/stores managers should be charged with producing a report detailing glove styles and usage by department and share this information with their counterparts as a best practice.

By standardizing products across similar applications, an organization can achieve a net reduction in its carrying costs and the cost of capital. Standardization could also lead to a more consistent level of performance and reduce the risk of injuries.

Training

Worker education is a vital component within every department that is involved in the manufacturing process. Whether workers are wearing gloves, apparel or eyewear or working with hand tools, training will significantly impact how well a job is performed. Training also directly

correlates to the other disciplines discussed in this paper.

Educational tools and resources should be easy to use and available to all employees. These tools may be as simple as departmental glove boards or access to material safety data sheets that instruct workers about the proper use of protective devices.

Training should be offered for cross-plant education and best practice implementation. Some companies, for example, have been successful in creating Web-based training, which is made available to employees at multiple sites.

Training is a continuous process that must be administered for new employees as well as those involved with any process or product changes. Instituting an ongoing training program will reduce operation risk for employees as the overall organization.

Controls

The controls discipline tends to represent the greatest opportunity for directly impacting costs. Optimizing the way PPE is dispensed, used and disposed of is critical if an organization is going to achieve its cost reduction mandates. Employee participation and compliance directly influence waste reduction and costs.

Spoilage, waste, misapplication and non-compliance all result from not having the proper control mechanisms in place. Well-defined policies and procedures should be implemented, with employees educated about the company's goals.

Instituting best practices such as examining product usage, determining whether a product is being used to the extent of its expected life, isolating abnormal usage areas and conducting audits will help assure that control measures are successful. Manufacturers should work with their PPE provider partners to identify the most effective control mechanisms.

A company may, for example, replace an old procedure with a new one, such as instituting a sign-out process for obtaining new gloves or apparel. Manufacturers may opt to install automated dispensing equipment or initiate laundry programs. Recycling is another alternative for potentially reducing waste and costs. A PPE provider partner can recommend recycling operations that will purchase used Kevlar®, which is broken down and used in other products.

Continuous Improvement

The PAA will identify a manufacturer's strengths and areas that represent the best opportunities for reducing costs as they relate to the seven key disciplines. Implementing the recommendations and testing the new products and or processes should come next. As mentioned earlier, having the ability to quantify the results is critical to determining the program's overall success.

To remain competitive, manufacturers must continually evaluate their processes and implement improvements that can be quantified and documented. This will only be possible when the appropriate financial models are in place. Manufacturers must also align themselves with a partner that has a proven track record and can provide the support required to identify opportunities and recommend improvements that will foster a successful long-term PPE program.

About Ansell

Ansell Healthcare, a leading provider of hand and apparel protection, has developed a comprehensive business solutions approach to assist manufacturers in achieving their cost reduction mandates. Working directly with corporate and plant representatives, Ansell uses its experience, knowledge and solutions to develop programs that work.

Headquartered in Red Bank, New Jersey, Ansell serves a wide range of industries, including chemical manufacturing and refining, automotive, food processing, general industrial, pharmaceutical, paper, white goods, semiconductor and electronics manufacturing and primary metals ■