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Design and Implementation of a Drum-Buffer-Rope Pull-System

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Complete List of Authors:	Darlington, John; University of South Wales, Business School Francis, Mark; Cardiff Metropolitan University, Management Found, Pauline; University of South Wales, Business School Thomas, Andrew; University of South Wales, Business School
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1. Introduction & Background

This paper investigates the design and implementation of a Drum-Buffer-Rope (DBR) type of production pull-system (after Goldratt and Cox, 1984) in a panel fabrication plant at a low volume UK manufacturer of large vehicles. This two year longitudinal case study was conducted under the aegis of a Lean manufacturing process improvement initiative (Womack *et al.*, 1990; Womack and Jones, 1996). This case is the second in a series of two related studies that were conducted by the researchers at the firm, which is referred to as VehicleCo for the remainder of this paper. The previous study established that, rather than focus on [labour] cost reduction, the most logical course of action for the firm to increase its profitability was for it to increase its throughput. It also established that to achieve this necessitated the reduction of manufacturing lead time (MLT) via the reduction and subsequent control of work in progress (WIP). It also determined that the consequent intervention project should take the guise of the implementation of a production pull-system, and that this intervention should be made within VehicleCo's bodywork and auxiliary product panel fabrication plant; a jobbing environment that was characterized by extensive *shared resources* (machines and assets that were not dedicated to any single downstream product line/contract).

Even though the subject of Lean manufacturing can boast a lineage of over three decades (Schonberger, 2007) and continues to be the subject of extensive publication, it suffers from a problem of interpretive viability; lacking common definition and meaning different things to different people (New, 2007; Shah and Ward, 2007; Bayou and De Korvin, 2008). As an aid to overcoming this dilemma, a common feature of many publications on the subject of Lean over the last decade and a half has been the citation of Womack and Jones' (1996) well-rehearsed "Five Lean Principles" as a generic prescription for achieving Leanness, and this provides a useful framework for considering the salient literature that underpin this study. Their first principle holds that the starting point for becoming Lean is to specify "value" from the perspective of the end customer, and usually in terms of a specific product or product family. Principle two is to then identify the "value stream", which the authors define as the sequence of common processing steps, equipment or activities required to produce and deliver that product or product family to the end customer. Once the value stream has been mapped and the obviously wasteful steps eliminated, the third principle is to make the remaining (value-creating) activity steps "flow" without delay or obstruction in order to achieve a significantly reduced MLT. This involves eliminating or minimizing work queues, rework, backflows, and all other types of stoppage. Having enhanced responsiveness in this manner, the fourth principle is "pull". This means producing only in response to a specific customer demand signal rather than making-to-forecast. The fifth and final principle is "perfection". This embodies the concept of kaizen (Imai, 1986) and entails continuously improving the production process to produce exactly what the customer wants, exactly when they need it, with zero defects, at a price the customer is prepared to pay and with minimum waste.

When the large and expanding literature on the subject of Lean is reviewed to provide guidance on the proposed pull-system implementation within the case fabrication environment, it reveals a surprising lack of coverage on the subject of Lean implementation within jobbing environments; particularly with regard to the relationship between Lean and shared resources. Only Duggan (2002) seems to recognize the existence of such shared resources. He acknowledges that shared resources, along with high product mix and information flows, are the three key practical impediments to implementing flow and pull in real-life factories. However, his "Mixed Model" value stream mapping technique focuses on

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3 managing a high variety or mix of products variants through a single value stream and he too
4 offers no advice on the management of shared resources. This literature gap appears to be
5 attributable to a systemic issue, as the wider Lean community universally promotes the
6 concept of “rightsizing” tools and equipment as an important trait for achieving Leanness
7 (see for example Womack and Jones, 1996; 2005; Stenzel, 2007). The Lean rightsize concept
8 calls for the use of resources within production cells that minimize the impediments to
9 product flow. This concept in turn has two constituent components. The first is the selection
10 of a resource whose scale requirements do not drive batch and queue activity. Large-scale
11 resources that drive batch and queue activity are known as “monuments” to the Lean
12 community, and these often drive behaviour that focuses on efficiency and utilization rather
13 than making only the quantity that meets actual customer demand. Its second component is
14 the dedication of resources within a production cells to a specific product or product family
15 “value stream” in order minimize delays attributable to setups and changeovers. Due to the
16 dedication of assets, the issue of resource sharing is therefore avoided.
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20 Against the above background, the research problem was therefore to design, and
21 successfully implement, an appropriate pull-system for the case company’s jobbing
22 environment. The successful achievement of the research objectives associated with this
23 promised to contribute to the literature that is available on the relationship between the Lean
24 paradigm and shared production resources, and also promised to yield commercial benefit to
25 VehicleCo in reciprocation for the research access.
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28 In order to relate this study to the wider dialogue and to detail the methods and techniques
29 subsequently drawn upon, the paper starts by reviewing the key literature on production push
30 and pull-systems, along with the most influential and commonly implemented pull-system
31 methods. This includes the DBR method proposed by Goldratt and Cox (1984) as part of
32 their Theory of Constraints (TOC), which was subsequently selected as the basis for the
33 implemented design. Next, the research context is elaborated upon in order to provide
34 detailed insight into the case firm and the focal panel fabrication plant. This is followed by
35 the research methodology that explains the research context, strategy, research design and
36 data collection procedures that were developed to achieve the objectives identified above.
37 The penultimate section is a discussion of the findings derived using this methodology, which
38 is organized according to the two phases of the research design. The paper concludes with a
39 summary of its academic and practical contributions and an indication of future avenues for
40 research.
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43 44 **2. Literature**

45 46 *2.1 Push Versus Pull-Systems*

47 Returning to the framework introduced in the previous section and it is possible to determine
48 that Womack and Jones’ (1996) third and fourth Lean principles of flow and pull are
49 embodied in the concept of production pull-systems. Hopp and Spearman (1996) suggest that
50 the origins of these widely used terms can be traced to their use in a general sense by Ohno
51 (1988) in his explanation of the Toyota Production System (TPS), and came into common
52 currency in the early 1980s to explain and differentiate the JIT phenomenon from the
53 conventional Western MRP-based approach to production planning and scheduling. In the
54 interest of clarity, they offer the following definition of these two terms: ‘*A push system
55 schedules the release of work based upon demand, while a pull system authorizes the release
56 of work based on system status.*’ (Hopp and Spearman, 1996, p.317).
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4 Whilst these authors state that these two terms are not precisely defined in the wider
5 literature, reference to this reveals that the term push-system is often used as a synonym for
6 MRP-based scheduling (see for example Hill and Hill, 2012, p.436; Gupta and Boyd, 2011,
7 p.608) and will be used in this context for the remainder of this paper. Hopp and Spearman
8 elaborate that in such an MRP-based push-system a job is released to the factory floor in
9 response to an exogenous schedule and the timing of the release is not influenced by wider
10 happenings in the plant (such as machine downtime). Indeed, the design aim of such a push-
11 system is to minimize the inventory carrying costs whilst simultaneously seeking to
12 maximize the capacity and labour utilization (Boyd and Gupta, 2004, pp.359-60). By
13 contrast, the design aim of a pull-system differs; this being to match the flow of work through
14 the production process with the demand signal so as to maximize that process'
15 responsiveness to end customer demand. Consequently, within a pull-system a job is only
16 released in response to an authorization signal generated by some change in status to the
17 production line. This is usually the completion of work at some point in the production
18 process (*Ibid.*) Therefore unlike the push-system, a pull-system will place an inherent limit on
19 work in progress (WIP) and will hence prevent "overproduction" (after Ohno, 1988).
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23 Although Hopp and Spearman (*op cit.*) recognize that multiple forms exist, they observe that
24 the pull-system is often viewed as being synonymous with the kanban method (see for
25 example Laugen *et al.*, 2005) and attribute this observation to the nature and influence of the
26 early publications on the TPS. For example, whilst Hall (1981) acknowledges that different
27 types of pull-system are possible he only describes the Toyota kanban approach in detail.
28 Likewise, Schonberger (1982) only refers to pull-systems in the context of the TPS kanban
29 approach. Bicheno (2004) states that kanban is but one of three of the most influential and
30 commonly implemented pull-system methods within manufacturing; the other two being
31 Constant Work in Progress (CONWIP) and Drum-Buffer-Rope (DBR). These are each now
32 considered in more detail.
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34 35 2.2 Kanban

36 The Japanese word "kanban" entered the management lexicon in the early 1980s and its
37 literal translation is "visible record" (Schonberger, 1982, p.86). This was the term adopted by
38 Taiichi Ohno to name the method within his TPS for governing the flow of material through
39 the plant (Hopp and Spearman, 1996, p.162), because within the TPS the signaling device
40 took the form of a manually prepared card that acts as a visual trigger to order more parts
41 (Schonberger, 1982). Many different forms of kanban have subsequently been developed and
42 Bicheno (2004) provides a useful summary of these. He distinguishes between production
43 kanbans that authorize the production of a new batch of parts, and move (or withdrawal)
44 kanbans that provide permission to release work to the shop floor or move of a batch of
45 material between a pair of processes or resource centres. The TPS described by Ohno (1988)
46 was based upon a dual card kanban approach that used both production and move kanbans.
47 Within this approach each individual card represents permission for the upstream supplying
48 resource to produce and or move a pre-designated quantity of a specific part to a pre-
49 designated downstream customer resource location. The number of kanbans in a given loop
50 will therefore depend upon demand and, if demand changes, then the number of kanbans can
51 be adjusted accordingly.
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55 Kanban is commonly used in conjunction with the "supermarket" technique (Rother and
56 Shook, 1998; Bicheno, 2004). This is an inventory storage area that is located in physically
57 close proximity to the supplying resource centre and contains one or more standard
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3 containers of every part produced by it. The supermarket works by the customer resource
4 signaling the quantity of each part that it needs from this upstream supermarket by sending it
5 a move kanban. When the move kanban is received it results in the withdrawal of the
6 requisite number of parts from the supermarket by the material handler, and the subsequent
7 conveyance of these parts to the customer resource. The supermarket derives its name from
8 the material handler “shopping” for parts from a series of supermarket locations along a pre-
9 designated and highly predictable route; which is often likened to a bus route. This
10 withdrawal in turn stimulates the issuing of a production kanban from the supermarket to the
11 supplying resource centre in order to replenish the parts withdrawn. In this way, final
12 customer demand and the replenishment pull-signal is ‘rippled’ upstream.
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16 In a Lean production system, such supermarkets are often used to coordinate the
17 synchronization of workflow governed by a “pacemaker” resource, which is a scheduling
18 concept that calls for production for the whole plant to be scheduled at this single point
19 (Rother and Shook, 1998; Bicheno, 2004). Indeed, it is from the resultant production rhythm
20 dictated by this scheduling point that the technique derives its name. Serrano *et al.* (2009,
21 pp.294-295) establish that there is no precise formula for the selecting the pacemaker
22 resource. They suggest that in make-to-order manufacturing systems that operate with long
23 takt times, it is recommended to use the first resource centre as the pacemaker. However,
24 citing Rother and Shook (1998) they suggest that in T-shaped assembly to order (light
25 assembly and automotive) plants of the type in which this technique originated, it is deemed
26 good practice to select a resource near the customer, often in a final assembly cell. Bicheno
27 (2004) points out that the pacemaker need not necessarily be a constraint or bottleneck
28 resource, although it often is in practice. He concurs that it is usual to select a process ‘well
29 downstream’ so that resources upstream of the pacemaker can be pulled using the
30 supermarket technique, whilst those downstream adopt first in first out (FIFO) mechanisms to
31 manage the workflow to the customer. To work effectively, the pacemaker concept demands
32 high production flexibility (Serrano *et al.*, 2009) and smooth demand (Bicheno, 2009).
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36 Whilst kanban and its associated techniques offers reduced response time and inventory
37 levels compared to a traditional push-system (Boyd and Gupta, 2004), its inherent limitations
38 have been recognized by authors since the earliest publications on the topic. For example,
39 Hall (1981) recognizes that kanban is a method for repetitive manufacturing and will not
40 work in a jobbing environment. Similarly, Schonberger (1982) highlights that ‘*Kanban is*
41 *feasible in just about any plant that makes goods in whole (discrete) units ...*’ (p.226) but
42 cautions that it is only beneficial when used as an element of an holistic JIT [Lean] system;
43 the parts included in the kanban system should be used every day and that very expensive or
44 large items should be excluded from kanban. Citing the work of Gianque and Sawaya (1992)
45 Jonsson and Mattsson (2006) argue that kanban is most effective in a production environment
46 that is characterized by regular and steady demand, where products have a simple and flat
47 Bill of Materials (BOM) and short lead times, and where there are small order quantities.
48 Likewise, Bicheno (2004) warns that kanban requires a stable manufacturing environment
49 where there is repetitive production (p.107).
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52 2.3 Constant Work in Progress (CONWIP)

53 The second pull-system discussed here is the CONWIP method advanced by Spearman *et al.*
54 (1990) who present it as being applicable to a wider variety of production environments than
55 kanban, although they recognize that unlike DBR (next), it cannot be applied in a pure job
56 shop environment (p.888). CONWIP is premised upon the principle that the simplest way to
57 limit the amount of WIP in a production line is simply to enforce a protocol of not allowing
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3 the release of any more work to it if WIP is at, or above, predetermined limits (Hopp and
4 Spearman, 1996), (Lee *et al.*, 2011). It is from this method of achieving a constant level of
5 WIP that this pull-system derives its name. Spearman *et al.* (1990) point out that like kanban,
6 CONWIP relies on a material release signaling device such as a card. However, unlike
7 kanban, these cards do not operate between pairs of resource centres. Instead, the cards
8 follow the product or batch through the complete circuit of all of the resources in the
9 production process concerned. When the batch is finally completed on the last resource
10 centre the card is removed and returned to the first resource centre in the loop. Also, in
11 contrast to kanban, CONWIP cards are not part-number specific. They merely authorize the
12 release of the next batch of work, of whatever type is required, to this first resource in order
13 to initiate its production. The actual part numbers scheduled to be produced next are matched
14 to the card when work is needed for this first resource. Therefore this system facilitates
15 explicit control over the sequencing of parts to be produced and is also amenable to re-
16 sequencing by production control personnel when this is deemed appropriate. However, once
17 a batch enters production the queuing rule used at all resource centres is “first in, first out”
18 (*op cit.*).
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22 Compared to kanban, Spearman *et al.*(1990) conclude that CONWIP requires lower WIP
23 levels for the same level of throughput. This is because CONWIP does not maintain WIP for
24 each part number [in supermarkets]. The authors also emphasize that CONWIP requires less
25 strict operating conditions and linearity of flow compared to the kanban method. However,
26 Bicheno (2004) highlights that kanban is the tighter material control method, and also
27 facilitates the more rapid identification of production problems when production stages are
28 well balanced. He stresses that the inherent strength of the CONWIP method resides in its
29 conceptual simplicity and robustness to errors. This robustness extends to the identification
30 of the bottleneck location, as within the CONWIP method WIP automatically accumulates in
31 front of the bottleneck (Spearman *et al.*, 1990). Bicheno (*op cit.*) therefore concludes that
32 CONWIP is an attractive pull-system for operations that are characterized by maintenance
33 problems, or a shifting product mix, that would cause the bottleneck location to change.
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37 2.4 Drum-Buffer-Rope (DBR)

38 The third main pull-system is the DBR method proposed by Goldratt and Cox (1984) as part
39 of their Theory of Constraints (TOC). According to these authors the goal of any [private-
40 sector] organization is to make money, and they introduce the concept of Throughput
41 Accounting (TA) to guide managers to make decisions that attain this (Mehra, Inman and
42 Tuite, 2005). TA is premised upon three measures that differ in definition to their more
43 conventional usage (Corbett, 1997): “Throughput” is the rate at which the system generates
44 money through sales. This is the volume of sales expressed in terms of money rather than
45 units, and products only become throughput when they are actually sold. The second
46 measure is “inventory”, which is defined as the money invested by the system in things that it
47 intends to sell. Within TA this measure encompasses equipment and facilities in addition to
48 the conventional inventory categories of raw material, WIP and finished goods. However, in
49 the case of the latter categories it equates to the direct material cost and excludes any notion
50 of value added during the production process. The final TA measure is “operating expense”,
51 which is defined as the money that the system spends to convert inventory into throughput.
52 The TA conception of operating expense is notable for excluding all overhead allocations
53 (Boyd and Gupta, 2004). Goldratt and Cox (*op cit.*) argue that all management decisions
54 should be based upon these three criteria alone, with the aim being to increase throughput
55 whilst simultaneously decreasing inventory and operating expense. Such a decision is
56 classified as ‘productive’ as it will contribute to the organization achieving the goal.
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4 Gupta and Boyd (2008) suggest that the TOC literature provides guidance for managing
5 processes at three levels. At the first, highest level, TOC asserts that, in any complex system,
6 only intervention at the system's constraint will have a significant and immediate impact on
7 the whole system; whereby a constraint is defined as the resource with the **highest capacity**
8 **utilization**. Goldratt and Cox (1984) offer what they term the "Five Focusing Steps" as a
9 framework for the process of on-going improvement to manage at this level. In summary
10 these steps are: (1) identify the constraint; (2) exploit the constraint's existing capacity; (3)
11 subordinate the rest of the system to the constraint before acquiring additional capacity; (4)
12 elevate the constraint by adding additional capacity; and (5) return to Step 1 if the constraint
13 is broken.
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16 Gupta and Boyd's (2008) second, *operational level* of TOC process management
17 encompasses Goldratt's (1995) V-A-T classification of three basic plant configurations. This
18 classification is derived from the BOM of the products produced within each of the respective
19 configurations, and it provides useful insights into the common issues encountered within
20 each, which Gupta and Boyd (*op cit.*) suggest revolve around misallocation of materials for
21 V-plants and T-plants, and misallocation of resources for A-plants. V-plants contain
22 relatively few raw materials that are converted into a wide variety of finished products; with
23 some being sold off in part-completed states. This category includes steel mills and paint
24 plants with typical business issues including low plant utilization, poor due date performance
25 and high operating expenses. A-plants contain a large number of components to make a
26 small number of end part numbers, and are characteristic of the capital goods industries.
27 Typical business issues include synchronization challenges, labour utilization, high WIP
28 levels, long lead times, poor due date performance and large overtime costs due to expediting
29 activity. The last category is the T-plant, which is characteristic of light assembly and the
30 automotive industry. This category of plant contains a core of common components that are
31 converted into a very high variety of end part numbers. The typical business issues here
32 include the reliability of component supply and purchased part lead times, high component
33 stocks and shortages.
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37 DBR forms the third, *detailed level* of Gupta and Boyd's (2008) process management
38 framework. In DBR the "Drum" is the most highly **utilized** resource that acts as the capacity
39 constraint within a given production system, and hence dictates the entire throughput of that
40 system. **As per the pacemaker concept discussed earlier, it is from this this pacing**
41 **characteristic that the Drum derives its name**. By definition, there is no catch-up capability if
42 any production is lost on the Drum (Goldratt and Cox, 1984). The "Buffer" is WIP inventory
43 that is located in front of the Drum and is designed to protect it against uncertainty by
44 ensuring that it can keep working for a pre-designated period of time in the advent of failure
45 of one of its upstream processes (*op cit.*). Consequently, the size of the Buffer is an
46 important decision and should be a function of the probability of failure upstream of the
47 Drum. The most distinct feature of the Buffer is that it is time-based rather than being
48 determined as a discrete quantity of units in the manner of kanban. The third and final
49 component of DBR is the "Rope". This is a long-distance signalling mechanism that
50 connects the Drum to the gateway resource at the beginning of the production sequence. The
51 Rope acts as a control mechanism for regulating the release of work into the system rate
52 (Bicheno, 2004). If for example the Drum processes an hour's worth of work, the Rope is
53 used to communicate permission to the gateway resource to release the next scheduled hour's
54 worth of work into the system. It is from this "beat" of production that the Drum obtains its
55 name. In this way, the amount of WIP and hence MLT through the process become
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3 predictable and the new work released becomes synchronized with the Drum processing rate.
4 The Drum therefore acts as the single scheduling point in the system, with the processing
5 sequence at the Drum being influenced by how fast the inventory processed can be turned
6 into cash (*op cit*).
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8 9 10 **3. Research Context**

11 The focal case firm is part of a large multi-national enterprise that is headquartered outside of
12 the UK. VehicleCo's UK operation designs, manufactures and supports a variety of
13 structures for this parent enterprise's range of products. At the time of the study reported
14 upon in this paper, this company had a portfolio of more than 20 separate **products/ size**
15 **variants**, which the firm terms "contracts". The panel structures for each contract are
16 assembled on dedicated production lines in its final assembly area. **Each panel set is unique**
17 **to a contract. Also, each individual panel within each contract is unique. As a consequence**
18 **there are a relatively large number of unique parts and structures.** On completion, these end
19 products are shipped to another plant within the parent group for the integration of various
20 systems and the kitting out of the vehicle interior.
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23 The objective of the previous project conducted by the researchers at VehicleCo had been to
24 develop a new and objective method for targeting a Lean (Womack *et al.*, 1990; Womack and
25 Jones, 1996) process improvement intervention that promised to yield the largest financial
26 impact within this large, geographically dispersed and complex manufacturing firm.
27 Analysis of the project findings had clearly indicated that the most logical course of action
28 for VehicleCo to increase its bottom line performance was for the firm to increase its
29 throughput via a targeted WIP reduction intervention. A new targeting mechanism that came
30 to be known as a *Big Picture Financial Map* (BPFM) was developed as part of that project
31 and was used to identify which of the production work centres within VehicleCo's six UK
32 plants offered the greatest financial potential for the initiative identified. This analysis
33 indicated that the WIP reduction intervention should be made at the firm's bodywork and
34 auxiliary panel fabrication plant named *WC2-Panels* (referred to as 'WC2' for the remainder
35 of this paper).
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38 WC2 is a 221,000 square foot plant that is located approximately one mile from the Final
39 Assembly Hall (FAH) and houses 350 staff. WC2 acted as a key supplier to almost all of
40 VehicleCo's final assembly production lines and was considered an operational "problem
41 child" at the time of the study as it was suffering from high WIP, long and unpredictable
42 MLT (**measured at the outset of the project to be an 'average' of 40 days**) and high rework
43 and scrap rates. It was consequently suffering from poor delivery schedule adherence, being
44 late approximately 60% of the time, which in turn was causing an average of six jig
45 stoppages per week within final assembly. WC2 was therefore causing much disruption to
46 the production schedules of its downstream FAH customer, and this was clearly undesirable
47 in an industry characterized by contractual penalty clauses for late delivery. To compound
48 this existing problem, the firm's order book had recently witnessed a significant uplift as the
49 firm's market recovered from a period of recession. When VehicleCo modelled the
50 implications of this new order book they found that, within the immediate months ahead, they
51 would be encountering a serious operational problem within WC2. In accord with
52 conventional mass production practice their traditional response to more demand had been to
53 push more work into the system that would compound existing issues; producing more WIP
54 that in turn would increase working capital and MLT, and also increase the risk of
55 obsolescence and damages (but would not increase throughput). This dilemma was poised to
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3 become acute as apart from the cost, working capital and MLT implications, the modelling of
4 the uplift in the order book established that if current working practices were followed there
5 was physically not going to be enough space within WC2 to accommodate all of the panels
6 that were forecast to be produced, stored and conveyed between its 68 constituent resource
7 centres (each a distinct machine or group of co-located like machines).
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10 The supply of panels from WC2 was decoupled from its downstream final assembly customer
11 via a Pre-Assembly Buffer (PAB) storage area, and was scheduled using an MRP system (a
12 characteristic push-system). It was within this context that the [second] applied research
13 project at VehicleCo was launched, with the specific objective of designing and
14 implementing an appropriate pull-system to control the flow of work through WC2 and hence
15 the replenishment of panels in the PAB. Given the review of the literature characterized in
16 the previous sections, the following research questions were developed to guide this study:
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18 *RQ1: What is the most appropriate type of pull-system for the case jobbing*
19 *environment?*

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21 *RQ2: What is the most appropriate detailed design of the selected pull-system for the*
22 *case jobbing environment?*
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26 **4. Methodology**

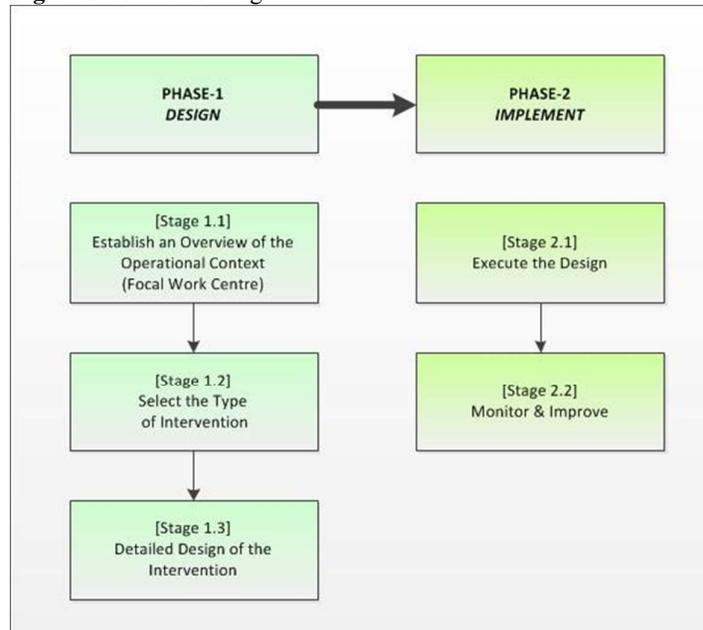
27 *4.1 Research Strategy*

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29 Because of the nature of the research question and the desire to conduct an empirical enquiry
30 that sought to explain a contemporary phenomenon in a real-life context using multiple
31 sources of evidence, the case study was selected for the research strategy (Yin, 2003). The
32 case study can provide rich knowledge of a specific context (Meredith, 1998; Sousa and
33 Voss, 2008; Yin, 2003) and has a heritage within both Operations Management and Logistics
34 where it has been employed for research purposes that include exploration, theory building,
35 theory testing and theory extension (Eisenhardt, 1989; Ellram, 1996; Voss *et al.*, 2002). The
36 case study reported upon in this paper was purposively selected (Silverman, 2000) and was a
37 longitudinal study conducted over a two year period.
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39 *4.2 Research Design and Data Collection Procedures*

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41 This project was championed by the firm's senior management team. A project team was
42 formed and a large room was dedicated to them for the duration of the study. The team had
43 at its core six managers drawn from a cross-functional range of the resource and support
44 areas found within work centre WC2. The researchers worked in a facilitation role, aided by
45 VehicleCo accounting department staff who were tasked with responding to cost information
46 requests. A simulation modelling expert was also seconded to the team. Figure 1 illustrates
47 the two-phase research design model that was developed to act as a framework for the
48 collection and analysis of the data, and to enable the research question established in the
49 previous section to be answered.
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Figure 1. Research design



Phase-1 of the study was conducted over a twenty month period and encompassed the design of the planned process improvement intervention within WC2. This entailed three constituent stages of research. Stage 1.1 was designed to provide the researchers with an understanding of the salient features and performance of the WC2 operation, and to act as a team building exercise for the newly constituted project team. The stage was initiated with a two day structured workshop that involved the whole project team, and this was complemented by follow-up interviews and observation of shop floor practices to validate details raised during the workshop. The focus of this activity was the collective production of a value stream map (VSM) of the type popularized by Rother and Shook (1998). This was used as a vehicle for the application of methodological pluralism, whereby multiple data collection instruments were used to generate and triangulate data about the observed phenomena (Denzin, 1970). These instruments included document and archival analysis, 140 photographs, and interviews and participant observation of all the resource centres within the focal work centre.

The purpose of Stage 1.2 was to capitalize upon the insight gained during the preceding stage and use this to help determine the most appropriate type of intervention for the case scenario and hence answer RQ1. The evidence collected was analyzed by the researchers who subsequently decided that this should entail the implementation of a production pull-system, and that the most appropriate type of pull-system given the characteristics of the production environment was DBR (see Goldratt and Cox, 1984). It was therefore necessary to extract and manipulate very large data files from the firm's MRP system to first identify the Drum (most highly constrained) resource. This in turn entailed the researchers developing and building their own bespoke capacity planner, WIP monitor and simulation model software tools in order to triangulate their evidence to establish the identity of the Drum. Having achieved this, Stage 1.3 involved the detailed design of the wider DBR device to address RQ2. This for example included the detailed calculation of the required Buffer size drawing upon historical breakdown records for the resources upstream of the Drum, and also the mechanism to be used to implement the Rope signaling device. Once completed, a modelling exercise was conducted to establish the likely impact of this planned DBR intervention, and a

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3 business case was developed from this. The DBR design and associated business case were
4 duly presented to VehicleCo's senior management team and approval was granted for its
5 execution.
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8 Phase-2 was conducted over a four month period and entailed the implementation and
9 monitoring of the detailed DBR design developed during Phase-1. An external specialist was
10 employed to further refine the capacity planner and WIP monitor tools (above) and the
11 insight that they provided, and two of VehicleCo's specialist Lean experts from their internal
12 Lean process improvement team were also allocated to the project for its duration in order to
13 support the implementation. As a consequence of the resources and support afforded it, the
14 DBR design developed during the previous stage of the study was rapidly implemented over
15 a four week period [Stage 2.1]. The performance of this pull-system was carefully monitored
16 and improved over a further three month period [Stage 2.2] using the newly refined tools
17 (above), and a number of small refinements were made to enhance its operation and control.
18 By the end of this period the new DBR system had become embedded in VehicleCo's
19 standard production system.
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22 4.3 Confidentiality

23 Under the terms of a confidentiality agreement, a three year moratorium on publication has
24 been observed for this study. Other measures have also been applied within this paper to
25 assure the anonymity of the firm whilst simultaneously maintaining the integrity of the
26 findings. These measures include the use of the alias 'VehicleCo' for the case firm, and the
27 disguise of all terminology that could be used to identify it. This includes all specifics
28 regarding the firm's product portfolio, the industry sector within which it operates, its
29 geographic location and all reference to its annual turnover and scale of employment. Lastly,
30 all financial and operational data has been disguised by means of a constant modifying factor.
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34 5. Discussion

35 5.1 Phase-1: Design

36 To implement the first stage of the research design that was detailed in the previous section,
37 the researchers decided that the most effective way to deepen their understanding of the WC2
38 operation was to construct a VSM of the type suggested by Rother and Shook (1998). **Such
39 an approach would also help forge good working relationships with the most influential
40 figures on WC2's shop floor and management.** The VSM technique has been used and
41 described in numerous Lean projects and publications over the previous decade (see for
42 example Seth and Gupta, 2005; Abdulmalek and Rajgopal, 2007; Serrano *et al.*, 2008; Lasa
43 *et al.*, 2009; Gurumurthy and Kodali, 2011). The production of the VSM was subsequently
44 approached in a conventional, highly interactive manner as suggested by the authors. This
45 entailed directing the newly formed WC2 project team to use coloured pens, paper and sticky
46 notes to produce a single landscape orientation diagram that described the current-state of the
47 whole WC2 operation; from supply of raw material through to delivery of completed
48 bodywork and auxiliary panels to its downstream customer. First, the physical flow was
49 drawn. The supplier and customer icons were noted on the map, and then each of WC2's
50 resources (machines/ work centres) was represented as a single sticky note. Inventory points
51 (WIP) were also noted using a different shaped and coloured sticky notes. Next, the
52 information flow was drawn, with the production control system and all scheduling points
53 noted on the diagram.
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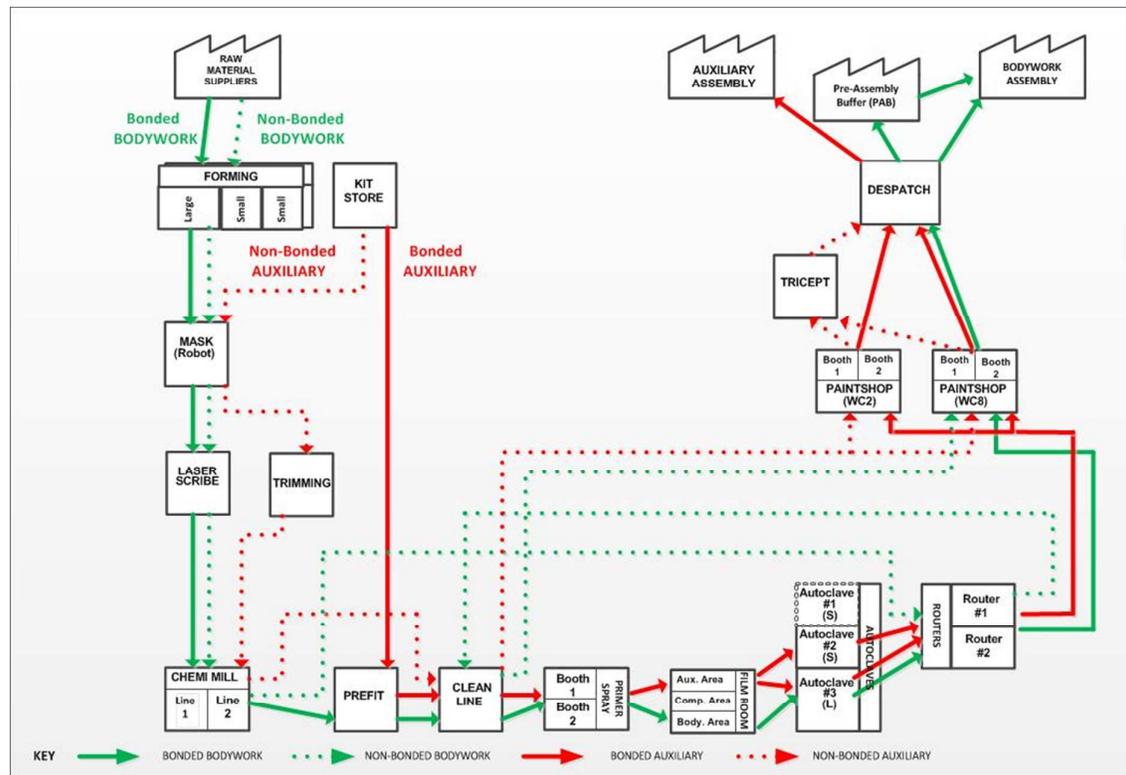
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3 Conventionally, the VSM technique suggested by Rother and Shook (1998) is used for
4 describing the flow of material and information of a single representative product line/family
5 through its entire production pathway in order to act as a blueprint for the subsequent process
6 improvement activity. Whilst a useful starting point, the project team found that this
7 conventional VSM technique significantly under-estimated the influence on the information
8 flow on the observed manufacturing flow and performance. Having already constructed such
9 a map, the team consequently focused on an elaboration of the information flows and then
10 annotated the work-flow pathways for all twenty of the main factory product line contracts
11 that flowed through WC2's production resources; adopting a unique colour code for each of
12 these "value streams". This innovation yielded two particularly useful insights. The first of
13 these was insight into the influence of the MRP and shop-floor data capture systems, and how
14 they combined in the calculation of operational start dates. However, more importantly, this
15 innovation highlighted the shared resources within this work centre.
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19 The resultant map was 15 metres long and reflected the complexity of this panel fabrication
20 process. However, the team was able to translate the twenty colour coded contracts into four
21 generic types of panel that were produced within WC2; each of which had a distinct route
22 through the centre's 68 resource centres and formed a multi-contract workstream. These
23 were termed *Bonded Bodywork*, *Non-Bonded Bodywork*, *Bonded Auxiliary* and *Non-Bonded*
24 *Auxiliary* (bonded panels contain multiple parts that are glued together). This analysis
25 facilitated the production of a schema that is conceptually similar to the familiar London
26 Tube Map, with its simplified representation of underground rail lines (value streams)
27 running through stations (resources). This is reproduced in Figure 2 and it is useful to briefly
28 review its salient features.
29

30
31 WC2 receives raw material such as sheet metal from external suppliers, and produces a large
32 variety of individually unique bodywork and auxiliary panels that are dispatched to the
33 downstream customers for subsequent final assembly into whole bodywork and auxiliary
34 structures. Therefore, whilst the VehicleCo operation as a whole could be described as an A-
35 plant (after Goldratt, 1995); the WC2 facility is a V-plant within this (*op cit.*). It is a jobbing
36 environment and is characterized by irregular demand, small order quantities, large variations
37 in both the physical size and work content of panels, a deep BOM (particularly for bonded
38 panels) and expensive materials. Panels are conveyed around the centre by means of the
39 "panel bar" system. This is an overhead rail that runs between each of the production
40 resource centres and contains a number of panel bar "hooks" onto which panels are attached
41 for material handling purposes. The attached panels are manually pushed to the next resource
42 in the production sequence, unhooked, processed and then re-attached to the panel bar.
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45 Completed auxiliary panels are dispatched directly to the Auxiliary Assembly facility.
46 Completed bodywork panels are [usually] dispatched to replenish panels that had previously
47 been consumed from the downstream PAB, as scheduled by the firm's MRP system.
48 However, on occasion bodywork panels might be dispatched directly line side to the relevant
49 production line in the bodywork assembly area if, for example, expediting was required.
50 Bonded panels represent the more complicated of the two types of workstream and therefore
51 form the basis for the following summary of the WC2 production process.
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Figure 2. Schematic representation of the WC2-Metal Bond fabrication process



Bodywork panel production starts with the processing of sheet metal into the correct panel shape at a machine in the resource centre called 'Forming'. This is the gateway resource and contains three separate machines of differing sizes. Auxiliary panels tend to be smaller and are kitted out in the Kit Store area. After forming, the panels enter the Masking booth where a robot sprays one side of the panel with masking material. The panels are then conveyed using the panel bar system to the Laser Scribe machine where the requisite pattern is etched into the masking material. This material represents protection in the subsequent Chemical Milling process, so this scribing pattern determines the thickness of panel material that will ultimately be milled away. Weight is an important design criterion, so panel thickness is reduced in areas where enhanced structural strength (for example a structural pillar location) is not required. After Chemical Milling the panel makes its way to the Clean Line where it is dipped as part of a batch into a number of tanks to clean off the corrosive chemicals from the milling process and prepare it for painting. Once dry, the panel is conveyed into one of two booths where it is sprayed with paint primer material. Next, the primed panel is conveyed to the relevant sub-area of the Film Room where all the parts to be bonded to it are carefully positioned in situ, separated by adhesive "film".

Again as part of a batch, this is transported to one of three large Autoclave ovens. The size of these ovens is a function of the size of the panels that they must physically accommodate. Here, the batch is cured under high pressure for a pre-designated period of time to bond the parts together and ensure the integrity of the adhesion process. The cycle time for this curing process is therefore the same regardless of the number of constituent panels in the batch, and is impervious to changes in customer demand rate, or takt time. After subsequent testing, the panel batch is moved to one of two six-axis CNC Routing machines where various sized and shaped cavities are cut out. Having already been primed, the panels are then conveyed to the

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3 paint shop for painting before lastly being dispatched to the relevant downstream customer
4 destination as indicated earlier.
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6 This initial mapping exercise therefore indeed proved useful to the team for deepening their
7 understanding of the operational characteristics and throughput within WC2. It highlighted
8 that most of the manufacturing resources used for panel production within this centre are in
9 fact shared, and not dedicated to any single downstream contract or production line. It also
10 highlighted that many of these resources such as Chemical Milling, Clean Line and
11 Autoclaving are natural batch processes that are configured for the simultaneous processing
12 of multiple, rather than single, panels.
13

14 Pull-system selection

15 Having gained the above insight, the next consideration was the selection of the most
16 appropriate pull-system method for regulating the amount and flow of WIP through the
17 centre. This was determined to be the method that would provide the highest service level to
18 the downstream customer, with the shortest lead time. The three most influential and
19 commonly implemented pull-system methods as suggested by Bicheno (2004) were now
20 evaluated in turn for this case production environment: Kanban, CONWIP and DBR.
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23 The insight gained from the analysis of the data yielded during the previous stage of the study
24 quickly established that a kanban pull-system as characterized in section 2.2 would be
25 infeasible. Kanban is a stock-based method and clearly implied that expensive bodywork and
26 auxiliary panel parts would need to be replenished speculatively into supermarket areas post
27 consumption in the hope that future demand would consume them. This implied prohibitive
28 space and cost implications for implementing the necessary supermarket storage given the
29 high material cost, deep BOM, large number of parts, large number of engineering changes,
30 and large variation in the size and work content the panels. Likewise, these characteristics
31 taken in conjunction with the irregularity of the demand for the panels produced within the
32 centre made this an unsuitable application for the pacemaker concept.
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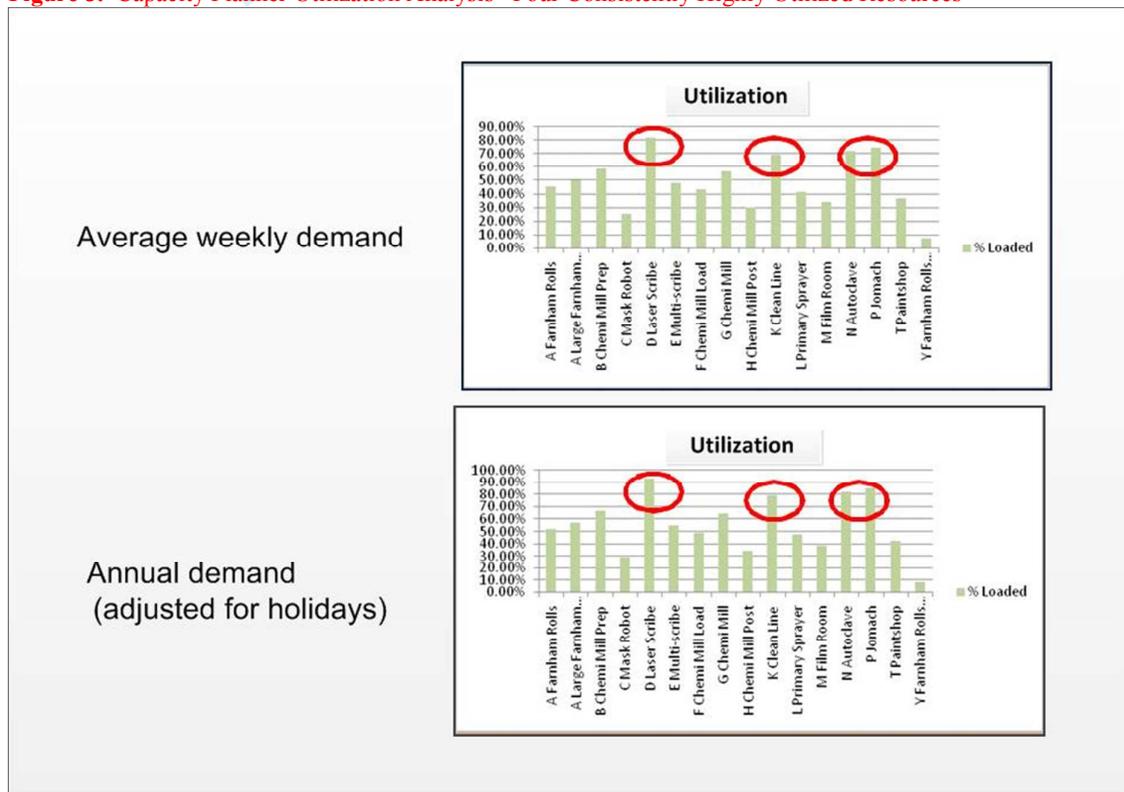
35 A time-based scheduling method such as CONWIP or DBR was therefore considered to be
36 the only feasible alternative in such an operating environment. Next, a CONWIP pull-system
37 (after Spearman *et al.*, 1990; Hopp and Spearman, 1996) was considered. However,
38 CONWIP was rejected because the complexity of the work routings, amount of work content
39 and lead time variation observed in this process was deemed to make it too unreliable in such
40 a jobbing environment. Instead, the team established that DBR (Goldratt and Cox, 1984) was
41 the most feasible type of pull-system for the WC2 operating environment, and hence
42 answered RQ1.
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45 This conclusion marked the start of Stage 1.3 of the study. According to the Five Focusing
46 Steps framework offered by Goldratt and Cox (*op cit.*) it was necessary to first identify the
47 Drum that was to form the focal point for the pull-system design if a DBR pull-system was to
48 be implemented. However, it was rapidly established that VehicleCo's MRP system could
49 not facilitate this first step. Whilst it described well the labour content of work, it failed to
50 accurately describe the equipment capacity of the many natural batch resources within WC2.
51 It was therefore necessary for the team to develop a new standalone time-based capacity
52 planning tool that could be used to identify the current and future constraints that were to be
53 exploited in a DBR system. The resultant tool was developed using Microsoft Access and
54 Excel and used the extracted BOM, routing and resource files from the firm's MRP system as
55 input. Supplementary demand, shift pattern, scrap & rework rate data was also collected by
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the team and incorporated into the new tool. Lastly, the team codified and incorporated the batching rules that were in use within the plant for establishing the demand on WC2’s natural batch resources. For example, the cure profiles and cure time slots for the Autoclave Ovens and the part size and dimensional capacity of the load for the Clean Line.

The resultant tool could produce a **utilization** analysis of all the resources within WC2 for any selected demand/shift period within the order book horizon. For the period concerned, it calculated demand in hours for every WC2 resource. It then compared this demand against that resource’s available hours in that period to yield a **utilization** percentage figure. After modelling a large number of different weekly, monthly and annual time periods the same four resources were found consistently to be the most highly **utilized**, and therefore candidates for being the Drum (Figure 3). These were the Laser Scribe, Clean Line, Autoclave Ovens and Router.

Figure 3. Capacity Planner Utilization Analysis –Four Consistently Highly Utilized Resources



In order to triangulate the findings of the capacity planner, and hence help establish which of the candidate resources was the Drum, a WIP monitoring tool was developed in Excel. This used a large data file extracted from the MRP system that provided the itemized location of every piece of WIP within WC2 at a snapshot point in time. It then compared this data against the resource and demand files to calculate the total WIP pieces, material value and average sales coverage of inventory (termed ‘daysworth’) at each of the following levels of granularity: resource, work stream (bonded or non-bonded bodywork/ auxiliary) and the aggregate for the whole of WC2. Seventeen such WIP snapshots were processed over a 16 week period to provide a longitudinal analysis of the WC2 WIP profile. By the end of this exercise the identity of the Drum was still indeterminate, although it did make it possible to discount the Clean Line as a candidate. This WIP monitoring exercise also yielded other

useful insights. For example, it was found that during the 16 week period of monitoring, total inventory within WC2 varied between 40-53 daysworth of sales cover. This equated to a material and utility cost (MAUC) valuation of £1.1-£1.4 million; or £2.8-£3.4 million valuation in fully absorbed standard costing (FASC) terms. Information on the average time taken to serve the downstream customer was also refined; with panels found to take between 20-26 days to get through the WC2 fabrication process.

With the help of a simulation expert seconded to the team, a simulation model of the WC2 panel production process was then built using the DELMIA software suite. Figure 4 illustrates a screen dump of this model, which took as its starting point a blueprint of the WC2 plant. Onto this were plotted the various production resources and bonded and non-bonded WIP inventory points. Using the data collected during the study the model could then demonstrate throughput of panels and the ebb and flow of WIP over the passage of time, with WIP being colour coded by type and represented as a dynamically moving histogram superimposed on the blueprint. On the left hand side is a tabular representation of the capacity planning tool and its **utilization analysis** results, with the three consequent candidate Drum resources highlighted on the screen dump. The key findings from the WIP monitoring exercise are summarized on the bottom, indicating the financial and lead time current-state of the WC2 process and hence the scale of potential for a successful DBR implementation.

Figure 4. DELMIA Simulation Model of WC2 with Overlaid Capacity Planner Output



Both Figure 3 and Figure 4 illustrate that even though the Laser Scribe was the most highly utilized resource, the other two Drum candidates had reasonably close utilization figures. As emphasized by Hopp and Spearman (1996), such a situation demands an understanding of the relative variability experienced by such resources. The coefficient of variation (COV) was measured for the lead time characteristics of the whole WC2 production system and included all part numbers. The COV for all three Drum candidate resources was found to be high; being in excess of 0.5. It was observed that all panels flowed through the Laser Scribe, but diverged into bonded and non-bonded routes after this point before then flowing onwards and converging through the other highly utilized resources. Given this scenario the team adhered to the rule “when bottleneck feeds bottleneck it is best to deal with the first one first” (anon.). They consequently determined to use the Laser Scribe as the Drum, as creating the sequence

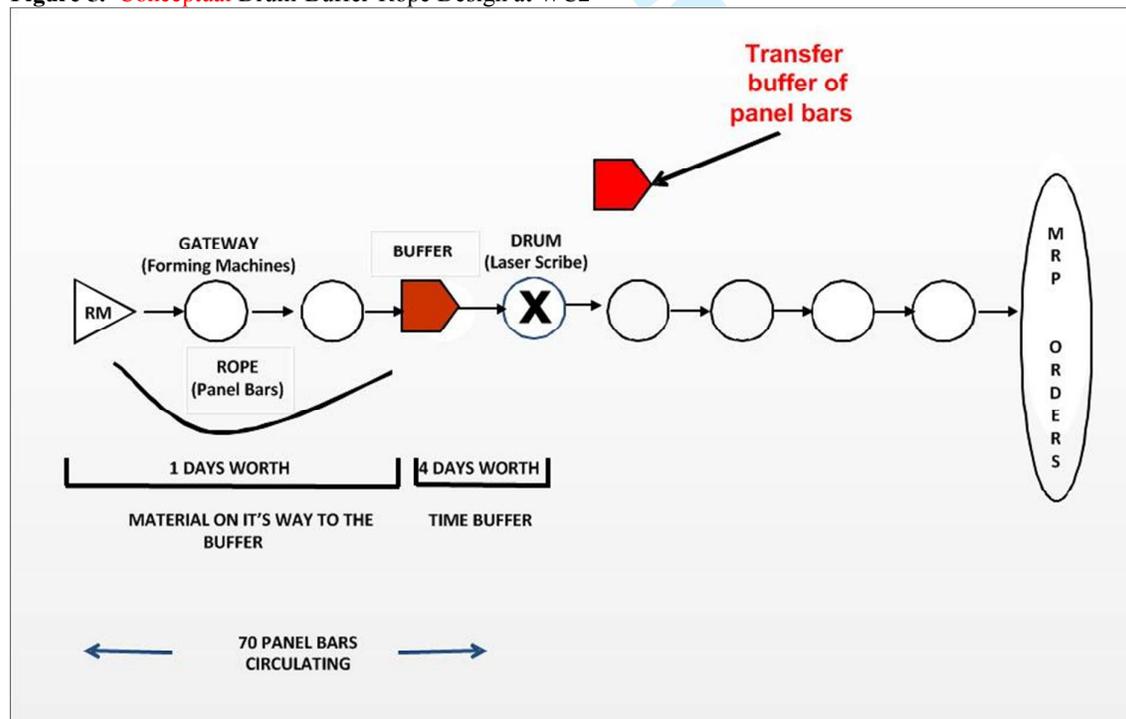
sensitive scheduling point here would also induce better flow characteristics for the Autoclaves and the Jomach.

Drum-Buffer-Rope design

Figure 5 illustrates the resultant DBR design at VehicleCo, and hence represents the answer to RQ2. This is a conceptual diagram that does not attempt to accurately reproduce all of the resources upstream and downstream of the Drum. In fact, reference to the schematic representation of the WC2 fabrication process (Figure 2) reveals that the Laser Scribe (Drum) is located relatively early in this production process. This means that the Rope loop between the Drum and the gateway resource centre (Forming) covers a relatively short upstream span. It was not possible

With this potential configuration limitation in mind, the next step of the design process was to establish an appropriate Buffer size to ensure that the Laser Scribe never had to stop working due to the failure of a feeding, upstream resource. WC2's breakdown records and downtime reports were made available, and the information was input into the DELMIA simulation model built earlier. Given the variation that was exhibited, it was calculated that a buffer of two daysworth of work would be sufficient to protect the Laser Scribe and hence enable it to exploit its capacity to the full. However, demand on WC2 was projected shortly to increase due to the enlarged order book. A business case was subsequently developed by the team for adding a Laser Scribe shift at the weekend in order to service this additional projected demand (but not the feeding resources for reasons of expense). This situation necessitated an increase in the Buffer size to four daysworth in order to cover this weekend shift and ensure that approximately one daysworth of Buffer inventory was still in place at the start of the Monday morning shift. After calculating what four daysworth of panels represented in a physical sense, it was then validated that this Buffer size could be physically accommodated in the designated WIP area in front of the Laser Scribe machine.

Figure 5. Conceptual Drum-Buffer-Rope Design at WC2



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3 A convenient Rope signaling system was found to already exist within WC2 in the guise of
4 the panel bar material handling system. The panel bar mechanism had two desirable
5 attributes in this role. The first was that it lent itself readily to acting as a long-distance
6 mechanism for signaling permission from the Drum (Laser Scribe) to the gateway resource
7 centre (Forming) to release the next scheduled tranche of work into the system. The physical
8 presence of a panel bar at the forming centre acted as the permission signal. An important
9 point to stress is that this schedule sequence of the next panel work order to release was still
10 driven by the due date required by the Final Assembly operations downstream of WC2 and
11 was provided via the firm's MRP system. The new DBR design merely ignored the launch
12 dates provided by the MRP system and instead finite forward scheduled from the current
13 point in time. The second desirable attribute of this Rope mechanism was that it could also
14 be used to physically limit the number of panels (daysworth of WIP) within the WC2
15 fabrication system by controlling the number of panel bars in circulation on which it was
16 possible to hang these panels. After extensive calculation it was determined that the four
17 daysworth of panels in the Buffer and one daysworth of material in the resources upstream of
18 this Buffer equated to 70 panel bars in circulation within the loop between the Forming
19 machines and Laser Scribe.
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23 The final WC2 DBR design consideration was the number of panel bars it was necessary to
24 include in the 'second loop' to transport the panels processed by the Drum downstream to the
25 exit (Despatch) area. There was significant process variation in the downstream resources
26 such as Chemical Milling and the Clean Line due to issues such as uneven shift patterns,
27 scrap/ rework rates and their natural batch characteristics. There was consequently a risk that
28 under certain circumstances the Drum might be unable to offload the panels it had produced
29 to the downstream resources due to lack of panel bar availability; hence reducing the
30 system's throughput. A Transfer Buffer was consequently established. This was a pool of
31 surplus panel bars in the second (post Drum) loop that was only to be used in the advent of
32 such a problem jeopardizing the Laser Scribe's output. It required special managerial
33 permission to use this Buffer. As per the time-based work Buffer in front of the Laser Scribe,
34 the size of this Buffer was a direct function of the variability within the resources constituting
35 the loop. Again, a conservative calculation of this initial Buffer size was adopted so as not to
36 risk confidence in the DBR intervention. Buffer monitoring procedures were also put into
37 place. The plan was to then reduce the size of these Buffers over time as the process
38 variability was reduced due to developments such as shift pattern changes, quality
39 improvements and improved machine reliability. This approach further reduced WIP and
40 hence overall MLT, and ensured minimal risk of Buffer failure.
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44 *5.2 Phase-2: Implement*

45 The initial target for the DBR design produced during the previous phase of the study within
46 WC2 was to reduce MLT time as measured by WIP by 20%, whilst simultaneously
47 improving the service level to the downstream customers. **Even though the design of the
48 chosen pull-system was recognized to have the limitations discussed earlier, the actual
49 performance of the implemented DBR system exceeded the target expectations.** Three
50 months after the initial implementation went live and was subject to a number of minor
51 modifications, the performance of the new system was evaluated and compared against the
52 baseline performance established at the implementation date. The total number of panels in
53 WC2 was found to have reduced from 346 to 139 (60%). When converted into inventory
54 coverage this equated to a reduction from 32 to 14 daysworth (56%), which translated into an
55 increase in WC2's inventory turns from 9.1 to 21.2. In addition, the average number of jig
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3 stoppages per week in Final Assembly that were attributable to WC2 dropped from six to less
4 than one.
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6 The impact of this performance was formally valued by the VehicleCo accounting
7 department to equate to a £450K MAUC reduction; or £850K in FASC terms. These figures
8 were based upon the traditional management accounting approach that sees such inventory
9 reduction as a one-off gain. It excludes any valuation of the other on-going benefits that are
10 implicit in such a WIP reduction initiative. For example, the reduction in the obsolescence
11 and write-off costs attributable to engineering changes or the reduced need for premium paid
12 overtime due to the level of responsiveness of the new system. The real financial value of the
13 project was therefore significantly higher. As a consequence of this significant economic
14 impact, the WC2 DBR project was nominated by VehicleCo for its parent enterprise's annual
15 worldwide process improvement competition in 2009, and it won the first prize. This
16 performance poses the question: should "flow" be the first principle of Lean (after Womack
17 and Jones, 1996)?
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21 *As indicated in the Research Methodology, strict confidentiality criteria remain in place*
22 *regarding this work. However, it is possible to confirm that during the passage of time*
23 *between the original implementation and the writing of this paper, this DBR implementation*
24 *has been refined and improved upon. VehicleCo are currently in discussion with one of the*
25 *authors regarding the design and implementation of a pull system for a new facility.*
26

27 **6. Conclusions**

28 At the outset of this paper it was established that, whilst a variety of pull-system methods
29 exist, the pull-system concept is often conceived as being synonymous with the kanban
30 method (Hopp and Spearman, 1996); particularly within the Lean community. It was also
31 established that there was a lack of coverage within the literature on the subject of Lean
32 implementation within a jobbing environment, and a notable gap concerning the relationship
33 between Lean manufacturing and the management of shared resources. The objective of the
34 research reported upon within this paper was consequently to select, design and successfully
35 implement an appropriate pull-system for the case jobbing production environment in order
36 to contribute to this dialogue. The resulting applied research project was conducted over a
37 two year period and entailed a two phase research design.
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40 The first phase of the study encompassed the main academic contributions of this paper. The
41 first such contribution was the development of a novel mapping tool that described the
42 routings of multiple value streams (Figure 2), and the resulting map highlighted that most of
43 the manufacturing resources used for panel fabrication were in fact shared batch resources
44 that were not dedicated to individual contract value streams as the Lean literature would
45 suggest. The subsequent analysis established that the most viable pull-system for the
46 production environment that this described was Goldratt and Cox's (1984) DBR method.
47 Detailed design work revolved around the researchers developing bespoke capacity planner,
48 WIP monitor and simulation model software tools (Figures 3-4) to first identify the Drum
49 (constraint), and then undertake the work necessary to produce a practical DBR design
50 concept for this case context (Figure 5). Therefore, this paper contributes significantly to the
51 literature that is available on the relationship between the Lean paradigm and the
52 management of shared production resources, and adds to that on the detailed design and
53 implementation of a DBR pull-system in a jobbing-type environment.
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3 The second phase of the study entailed the implementation, monitoring and improvement of
4 this DBR design and embodied its practical contribution and impact. The resultant
5 intervention exceeded its forecast improvement targets and represented notable commercial
6 benefit for the firm. It reduced WIP in the panel fabrication plant by nearly 60%. This
7 equated to a 57% reduction in MLT and more than doubled the inventory turns. Importantly
8 for an industry characterized by penalty clauses for late delivery, the intervention resulted in
9 greatly improved delivery schedule adherence to the downstream PAB and Final Assembly
10 customer. The financial benefit of this performance was independently audited to amount to
11 £850K per annum. On the basis of this level of operational and financial impact, the DBR
12 intervention project at WC2 was awarded the first prize at the annual worldwide process
13 improvement competition that was held by the parent enterprise. **It has also proved to be**
14 **sustainable; having subsequently been refined and presented as a template for roll-out to**
15 **other parts of VehicleCo's business.**
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19 Given this audited impact it is possible to conclude that adopting a deterministic, teleological
20 approach to process improvement is a fallacy. The study reported upon in this paper was
21 initiated under the aegis of a Lean initiative. If such a teleological approach had been
22 adopted in this case it would have led to an attempt to implement a kanban pull-system within
23 WC2. Such a system was not viable given WC2's operating characteristics. It is therefore
24 irrelevant that DBR is derived from the TOC rather than Lean paradigm. This underlines the
25 importance of contextual alignment and results over dogma and the application of paradigm
26 brand labels, as the latter approach leads to orthodoxy and sub-optimal improvement
27 performance.
28

29
30 **Whilst the study reported upon in this paper resulted in the academic and practitioner**
31 **contributions summarized above, a number of limitations are recognized. For example, the**
32 **panel production schedule was determined by the PAB rather than Final Assembly. In**
33 **addition, further work is required to explore the issues that pertain to the relatively upstream**
34 **location of the Drum in this DBR implementation; such as the affect on Drum location of**
35 **breakdowns and other causes of variation within the downstream resource centres. Likewise,**
36 **a future paper is planned to more fully develop the discussion regarding the appropriate 'fit'**
37 **and relative merits of the application of CONWIP compared to DBR in a case such as**
38 **VehicleCo's. This paper will also consider adaptations, such as the use of multiple CONWIP**
39 **loops. As a final comment it should be noted that although this case study was purposively**
40 **selected and longitudinal in nature, some caution is advised in generalizing its findings.**
41 **Consequently, having first addressed the issues above, future research will aim to replicate**
42 **this study in a number of different jobbing environments to test its efficacy. It is also**
43 **intended to synthesis and test a generalizable method for targeting and implementing**
44 **improved product flow and throughput in manufacturing environments from the techniques**
45 **developed by the researchers during their two related research projects at VehicleCo.**
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Figure 1. Research design

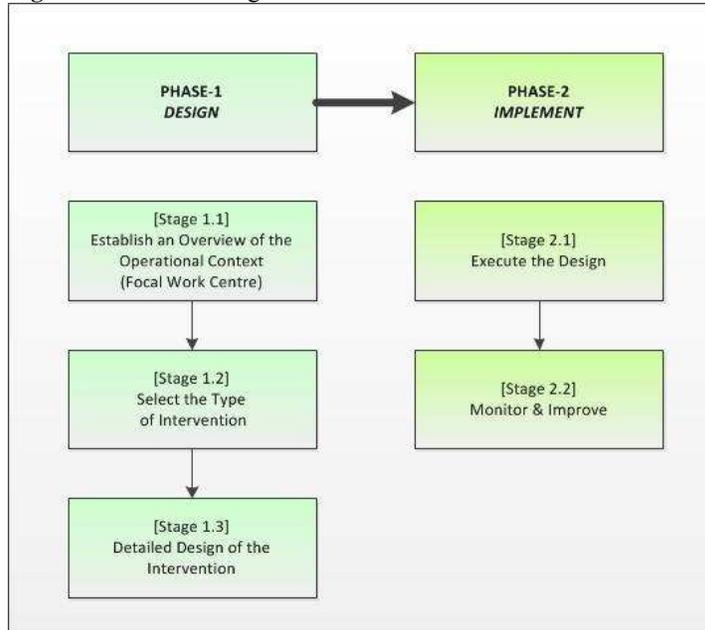
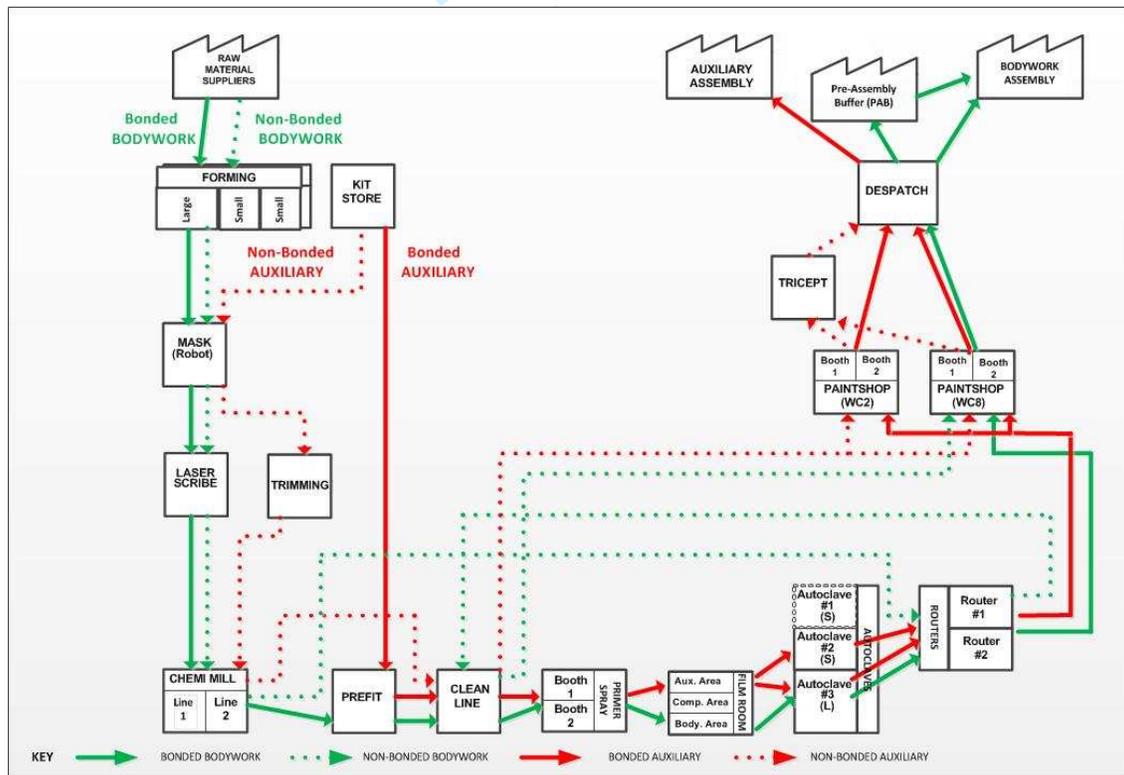


Figure 2. Simplified representation of the WC2-Metal Bond fabrication process



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Figure 3. Capacity Planner Utilization Analysis –Four Consistently Highly Utilized Resources

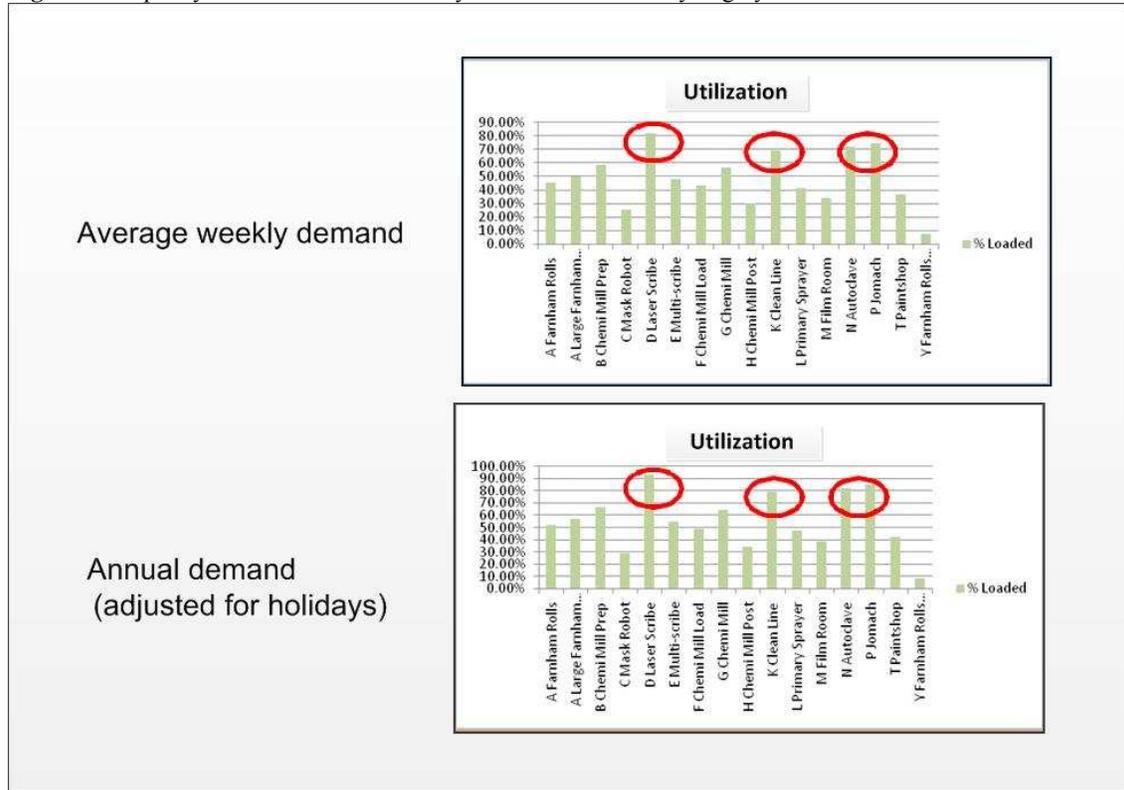


Figure 4. DELMIA Simulation Model of WC2 with Overlaid Capacity Planner Output

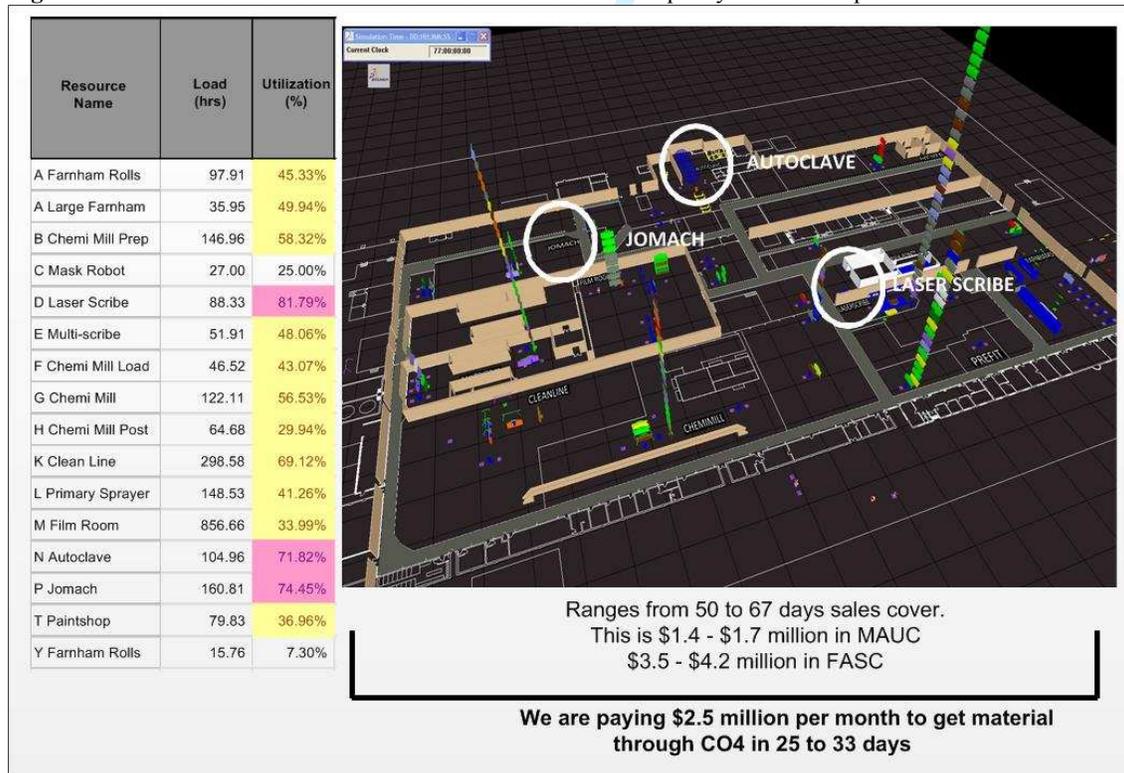
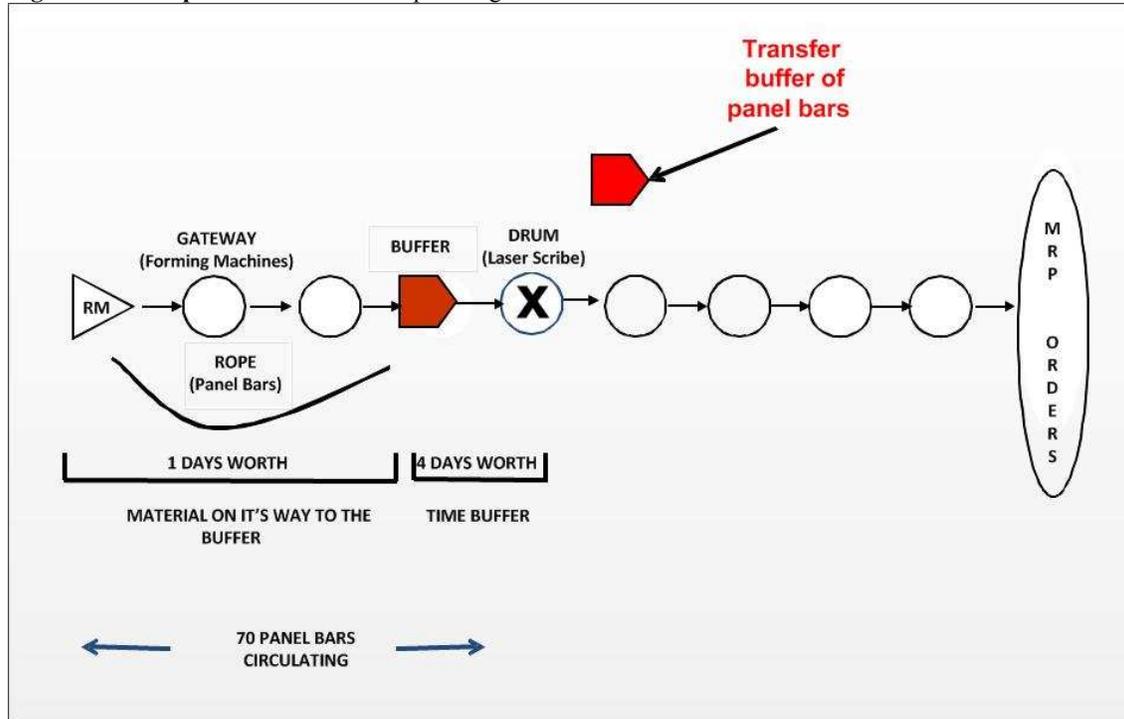


Figure 5. Conceptual Drum-Buffer-Rope Design at WC2



Review Only

TPPC-2013-0320 – SUMMARY OF REVISIONS

INTRODUCTION & OVERVIEW

This document summarises the revisions made to the above manuscript in response to the Reviewer Comments received by the authors in the email document from PPC on 13th March 2014. The focus of this exercise is a response to the comments provided by Reviewer 1 in the file accompanying the email, as Reviewer 2 was happy to publish the paper in its originally submitted form. However, we have also addressed Reviewer 2's request to consider the pacemaker concept.

In the following document, the Reviewer comments are deconstructed and reproduced as individual 'table row entries'. Our response to each comment is detailed in a column alongside it. These responses include both the nature and location of revisions made within the resubmitted manuscript. To facilitate ease of comparison, all such revisions within the manuscript are highlighted using red font.

Please note that due to the interrelated nature of the necessary responses, these have been clustered into the eight colour coded themes below:

1.	AMEND THE USE OF THE TERMS 'LOAD' AND 'UTILIZATION'
2.	BETTER EXPLAIN THE NATURE AND INFLUENCE OF VARIATION
3.	BETTER EXPLAIN THE VSM TECHNIQUE THAT WAS ADOPTED
4.	ELABORATE UPON THE RATIONALE FOR REJECTING KANBAN AND THE PACEMAKER CONCEPT
5.	ELABORATE UPON THE RATIONALE FOR REJECTING CONWIP AND DERIVATIVE CONCEPTS
6.	HIGHLIGHT THE ISSUES ASSOCIATED WITH THE DRUM BEING LOCATED RELATIVELY UPSTREAM
7.	COMMENT ON THE SUSTAINABILITY OF THE DBR IMPLEMENTATION
8.	SUMMARY OF CHANGES/ DBR CASE STATUS

As a consequence, our resubmitted manuscript has been extensively revised. We believe that we have addressed all of the comments and that it is a stronger paper as a result. We would therefore like to thank both Reviewers for their constructive feedback.

Reviewer #1 Comments (Accompanying File)	Response/ Revisions Made (incl. location within manuscript)
<p>1. AMEND THE USE OF THE TERMS 'LOAD' AND 'UTILISATION'</p> <p>1.1 <i>"The term 'Load' is expressed in Figure 4 in both hours and as a percentage. This is incorrect. According to the 13th edition of APICS Dictionary, load is 'usually expressed in terms of standard hours of work or, when items consume similar resources at the same rate, units of production'. (page 81). Utilization, however, is 'a measure (usually expressed as a percentage) of how intensively a resource is being used to produce a good or service'. (page 158). Therefore, utilization rather than load should be the heading of the third column in Figure 4.</i></p> <p><i>Likewise, the term 'load analysis' and '% loading' used throughout the paper is probably incorrectly or unwisely used."</i></p>	<ul style="list-style-type: none"> Figure 4 has been amended to reflect this request (the third column has been changed to 'Utilization (%)'). The article has been checked for all references to the terms 'load', 'load analysis', '% loading' and 'utilization' and corrected to reflect the definitions indicated in (1) above. Specific revisions: <ul style="list-style-type: none"> Word 'loading' removed on [p.6, para 1]. Word 'load' changed to 'utilization' on [p.6, para.3]. Word 'load' changed to 'utilization' on [p.14,para.1,sent.1]. Word 'loading' changed to 'utilization' on [p.14,para.1,sent.3]. Word 'loaded' changed to 'utilized' on [p.14,para.1,sent.4]. Title of Figure 3 changed from 'Load Analysis' to 'Utilization Analysis' on [p.14]. Words 'load analysis' changed to 'utilization analysis' on [p.15,para.2]. Figure 3 has also been amended to reflect the term '% Utilization' rather than '% Loading'.
<p>2. BETTER EXPLAIN THE NATURE AND INFLUENCE OF VARIATION</p> <p>2.1 <i>"Three resources are shown to be most heavily utilized. In percentage terms, these resources are reasonably close – as highlighted in Figures 3 and 4. An important question, however, is the variation (or coefficient of variation) between these resources. For instance, if the 'router' has a significantly higher coefficient of variation than the 'laser scribe' then the router may prove to be the effective 'drum' or 'bottleneck'. Variation is important – as being 'drowned in a river of average depth 1 m' is. This warrants further</i></p>	<p>Due to the implicit space constraints, the original paper glossed over the detailed work that was undertaken to identify the 'Drum'. During the project the COV was measured for the leadtime characteristics of the whole WC2 production system in order to establish the reliability of the overall production facility to deliver reliably and on time to downstream assembly. Likewise, considerable effort was expended in the analysis of product/process variation in order to establish the appropriate Buffer size to protect against the variation. The paper has now been amended to reflect these points. The following specific amendments have been made:</p> <ul style="list-style-type: none"> The decision-making process that led to the selection of the Laser Scribe as the Drum, given the similar utilization figures exhibited by the two other candidate resources and relative variation has been rewritten and elaborated upon [pp.15-16]. The explanation of the Buffer size calculation has been reworded in the subsection entitled '<i>Drum-Buffer-Rope</i>

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	<p><i>discussion or explanation.</i></p> <p><i>The important variables are process variation and utilization, as described in Hopp and Spearman’s ‘Factory Physics’. Both are important. Ignoring variation is highly misleading, as is the case with many deterministic scheduling approaches.”</i></p>	<p><i>design’ [p.16, para.3].</i></p>
3.	BETTER EXPLAIN THE VSM TECHNIQUE THAT WAS ADOPTED	
3.1	<p><i>“A VSM is a tool for seeing the big picture, not for detailed scheduling. In fact, in the case, a conventional VSM showing information flows, inventory locations, process times, etc would aid clarity far more than the simple diagram presented!”</i></p>	<p>We agree with the comment regarding purpose of a conventional VSM. In fact, during Stage 1.1 of the project we did indeed produce just such a VSM (annotating information flows, inventory locations, process times etc). However, we found that this conventional VSM approach did not give us the requisite insight that we sought into the information flows. It was for this reason that we innovated upon the method as suggested within our paper. The simple diagram presented in Figure 2 was provided in lieu of the fact that the original VSM was over 15m long and could not be adequately represented within the confined of the paper. To reflect this response we have:</p> <ul style="list-style-type: none"> • Reworded [p.11,para.1] and inserted an additional paragraph [p.11,para.2].
4.	ELABORATE UPON THE RATIONALE FOR REJECTING KANBAN AND THE PACEMAKER CONCEPT	
4.1	<p><i>“... In particular, the paper points out deficiencies in the use of kanban and CONWIP...”</i></p> <p><i>“For, example, Toyota and others have long used a ‘pacemaker’ driven procedure, both internally and externally with suppliers. The pacemaker process is near or at the last process and linked to final assembly. Shared resources are dealt with by a priority kanban system (with in-process supermarkets). This is used in hundreds of cases. Why is this not suitable?”</i></p>	<p>In the original paper we characterised the Kanban/ supermarket approach in section 2.2 then attempted to relate this to the research (case) context that was detailed in section 3 to explain why the approach was not feasible. To address this comment we have:</p> <ul style="list-style-type: none"> • Inserted a new paragraph into section 2.2 to explain the pacemaker concept [p.4, para.2]. • Further elaborated upon the nature and degree of variety of part numbers and panels in the first paragraph of section 3 ‘Research Context’ [p.7, para.2]. • Elaborated upon and reworded the reason for rejecting the Kanban/ pacemaker approach with reference to the above within section 5.1 [p.13,para.4]. <p>In summary, our analysis suggested that the Kanban-pacemaker approach would not be viable in the case V-plant for the reasons indicated above. However, we believe such an approach to be entirely viable within T-plants such as the Toyota example cited.</p>

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<p>5.1</p>	<p>5. ELABORATE UPON THE RATIONALE FOR REJECTING CONWIP AND DERIVATIVE CONCEPTS</p> <p><i>"... both kanban and CONWIP are too rapidly dismissed ..."</i></p> <p><i>"CONWIP is a very robust system, perhaps more so than other systems. (See 'Factory Physics', Third Edition, pages 372 to 381). This would be an interesting discussion."</i></p>	<p>The rationale for rejecting Kanban and the pacemaker concept in this case application is addressed in (4) above. Turning specifically to CONWIP , and we do produce a brief rationale within the subsection entitled 'Pull-system selection' [p.13,para.5] for rejecting the use of CONWIP in the case context. This rationale is related to the necessary operating conditions for a CONWIP system which is developed in section 2.3. We do recognise that this rationale was brief. However, we were mindful that the original draft of the paper was already large compared to PPC's article length guidelines, and the revisions implemented above have already added an additional 750+ words. We therefore hope that the existing explanation and surrounding revisions prove acceptable in response to this comment. Please note that we also plan a follow-on paper to more fully develop the discussion around the application of CONWIP and DBR in operating environments such as this case.</p> <p>By means of elaboration for Reviewer 1 we offer the following supplementary explanation:</p> <p>As far as pull-system selection is concerned only CONWIP and DBR offered viable options for the reasons developed in the paper. In this case firm there were 20 separate products/ size variants. Each panel set is unique to product type/size. Each panel within product/size is unique - depending upon assembly jig placement. The panels are transported between operations on an overhead 'runner' system using fixtures colloquially called "panel bars". At the commencement of the project the lead time through the facility was "on average" 40 days. (with a COV greater than 0.5). We initially assumed that this meant 40 daysworth of panel bars. However, in fact excess panels were being stored temporarily on the floor and MRP was asking for more WIP.</p> <p>Out of expediency because of the danger of scrap, (real and apparent) we initiated 'a crude' CONWIP system simply to get panels onto panel bars and reduce scrap. We would describe it as "crude" because the production process was not linear, as illustrated in the schema presented in Figure 2. Routes post the Laser Scribe often diverge and then converge again later. Therefore, establishing the "cap" on WIP involved 'judgement' as well as observation. We commenced with 25 daysworth of WIP (i.e. 25 daysworth of panel bars). We wanted to give the control mechanism a physical element. Initially this worked well but we had problems within weeks due to variation downstream of the scheduling point consuming too many flight bars and stopping us being able to offload from the Laser Scribe because there was no flight bars. At this point we were still working in parallel on a more precise schedule for the Laser Scribe (because we wanted to influence the sequence of work flow to the resources downstream).</p> <p>Based upon this above experience, we concluded that whilst CONWIP was conceptually simpler for the WC2 staff to understand , the DBR method offered a more optimised schedule: When natural batch processes such as autoclave ovens, anodising tanks or carbourising ovens are involved -or where dependent set ups are involved as per the case context- then MRP sequence is inadequate. If CONWIP uses this sequence and simply caps WIP it will</p>
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		require a longer overall lead time than DBR because it is de facto leaving the shop floor to sort out sequence at these resources.
5.2	<p><i>"... the paper points out deficiencies in the use of kanban and CONWIP. However, adaptation of these systems could well prove useful in revealing possible downstream problems, particularly where the DBR loop is situated well upstream."</i></p> <p><i>"... CONWIP could be used by employing several CONWIP loops. Was this considered?"</i></p>	<p>The comments and responses associated with the relative upstream location of the Drum are dealt with in (6).</p> <p>The adaptation of the CONWIP system in the guise of the use of multiple CONWIP loops is an interesting comment. We did not consider derivatives at the time, as our focus was on a comparison of only the three main pull-systems due to the pressure to deliver results. In the case context, the complexity of the workflow routes post the constraint would have possibly made this alternative too complex to execute. On reflection it is also doubtful that we could have obtained the necessary 'buy in' to implement (and maintain) the more complex set of rules that this alternative represents - given the initial scepticism over the project (particularly from the shop-floor supervision). That being said, we believe this suggestion to be a feasible alternative and intend to explore this in more detail in the planned future research.</p>
HIGHLIGHT THE ISSUES ASSOCIATED WITH THE DRUM BEING LOCATED RELATIVELY UPSTREAM		
6.	<p><i>"The potential weakness of DBR when located well upstream, should be [recognised] ..."</i></p>	<p>Reviewer 1 makes a series of well-founded comments regarding potential limitations of the implemented DBR system; specifically the relative upstream location of the Drum resource in the design configuration. In the following 'rows' we attempt to briefly address each specific comment grouped into this theme. Please note that due to the space constraints noted for 5.1 above, we have needed to abbreviate and summarise our responses within the amended manuscript. In response to the following 6.2-6.3 comments we have made the following responses (although further contextual details are provided below for each of these two comments):</p> <ul style="list-style-type: none"> • The new paragraph at the start of the sub-section entitled '<i>Drum-Buffer-Rope design</i>' was further amended to recognise the potential configuration limitation raised by Reviewer 1's comments [p.16,para.2]. • Recognition of this limitation was reinforced with the insertion of a sentence into [p.17,para.3]. • The final paragraph of section 6 '<i>Conclusions</i>' was expanded to include the additional future research arising from these comments [p.19,para.3].
6.1	<p><i>"The 'laser scribe' in the paper is a resource that is located well upstream. This may be an issue where the DBR loop runs over such a</i></p>	<p>The point is well made regarding the simplicity of Figure 5, which is a conceptual depiction of WC2's 68 separate resource centres and the main workflows through it. To address this comment we have:</p>

	<p><i>short upstream span, potentially leaving many problems undiscovered or arising further downstream. In that respect, Figure 5 is misleading."</i></p>	<ul style="list-style-type: none"> • Added clarifying sentences to this effect in the subsection entitled '<i>Drum-Buffer-Rope design</i>' [p.16, para.2]. • Changed the title of Figure 5 to emphasise the conceptual nature of the diagram [p.16]. • Modified Figure 5 itself to emphasize that there are more resource centres downstream of the Drum than upstream of it [p.16]. <p>The issue of potential undiscovered problems is elaborated upon in 6.2 (following):</p>
6.2	<p><i>"Downstream from the bottleneck there are several rework loops. This adds complexity, raising the issue of how (or if) problems would be detected by the DBR system."</i></p>	<p>We did not have the time to do a lot of work on the downstream loops during the course of the project. What we did establish was the due date performance of the system to the MRP generated completion dates. OTIF was 8% by day with 'Lates' 61% and 'Earlies' 31% within a wide range. When the system commenced we got good adherence at the constraint (80% rising to 90%), but suffered as suggested in the question. What we did do was measure the trend on Earlies and Lates, which started to converge quite rapidly - giving people confidence that the system was beginning to work despite the OTIF still being in single digits for several weeks. In addition we established a 'Flow Rate' metric for which team leaders were held accountable each day at the production meeting. This is a daily measure that indicates that the right parts in terms of WIP are being promoted, and in the right sequence. This proved a useful mechanism for detecting variance. Regardless of the assumptions that are made about post constraint lead time by DBR or CONWIP, the real lead time will be whatever the variation allows. We recognise that more research is required on this issue.</p>
6.3	<p><i>"Availability is $MTBF / (MFBF + MTTR)$. What would be the effect of breakdowns? Could this change the location of the bottleneck? This seems not to have been considered."</i></p>	<p>Unfortunately there was no such measurement at WC2. Neither was there any motivation by the firm's senior management team to implement such measurement. VehicleCo works in functional 'silos'. Our work on the pull-system implementation engaged Production, Planning and IT (all separate functions). The Quality function were dragged screaming into the solution, but Engineering (who were responsible for the 'kit' within the resource centres of WC2) remained aloof and resisted active participation. Our experience suggests that in normal circumstances, the identity of the Drum constraint is dictated by the raw utilization. This would exclude set up, which we deal with on a 'global' basis. In the case of several resources having similarly high utilization figures then we would consider the variation factor (as per comment 2). However, we recognise that our above comments are qualitative in nature. We have no quantitative data to back them up or define the circumstance or specific degree of variation at which buffering is no longer sufficient and the natural bottleneck is subsumed to the resource with the largest variation. This is another interesting area for further research.</p>

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7. COMMENT ON THE SUSTAINABILITY OF THE DBR IMPLEMENTATION	
7.1	<p><i>"The paper mentions that, for confidentiality reasons, reporting has had to be delayed. It would be interesting to revisit the company and see if the implementation was still in place. If yes, that would add credibility. If no, the 'why not' questions would be most revealing."</i></p> <p>This is a good point. One of the authors is still working periodically with the company and maintains good relationships with them. They have hosted a number of visits and are now commencing with the author on the design of pull in a new facility. In addition, the original DBR system described in this paper has been refined and improved upon. It is hoped that either/both of these developments will form the basis of a future paper. However, at this point in time the strict confidentiality strictures remain in place due to the commercial benefit that this work has afforded the firm (as indicated by the impact detailed on pp.17-18). To address this comment we have:</p> <ul style="list-style-type: none"> • Added a short paragraph reflecting this point and hence enhancing the credibility of the work [p.18, para.3].
8. SUMMARY OF CHANGES/ DBR CASE STATUS	
8.1	<p><i>"If these issues or questions are not properly addressed, then the paper is simply a case study of DBR implementation – something that has been done many times."</i></p> <p>We have attempted to address all of the above points to the best of our ability. Out of necessity, a more detailed explanation of a subset of these issues have been deferred to a planned follow-on paper due to the inherent word restrictions represented by the paper.</p> <p>However, we would disagree with this comment. Whilst we would concur that numerous case studies of DBR implementations do exist, most have addressed final assembly environments and few have dealt with the inherent complexities of the shared resources and routings inherent in the fabrication environment that forms the context for this case (contributing to the literature on the detailed design and implementation of a DBR pull-system in a jobbing-type environment).</p> <p>Moreover, as indicated in the Article Title page, this paper makes additional distinct contributions that are clearly in excess of case description. For example, it details a novel technique that permits the routings of multiple value streams to be mapped, and is useful for highlighting the identity and location of shared resources. It also contributes to the available literature on the relationship between the Lean paradigm and the management of shared production resources. Lastly, it articulates a context-specific rationale for evaluating and selecting between Kanban, CONWIP and DBR. Whilst some dyadic comparisons have been made between these three (most notably between CONWIP and DBR by Hopp & Spearman as indicated on p.3), this is the first paper to our knowledge that evaluates and justifies a choice between these three most influential and commonly implemented pull-systems. Pull-system implementation case studies with which we are familiar –be they of Kanban, CONWIP or DBR- start from the assertion to implement a pull-system of that type and do not explain nor justify the selection criteria within differing production environments.</p>

Reviewer #2 Comments	Response/ Revisions Made (incl. location within manuscript)
<p>4. ELABORATE UPON THE RATIONALE FOR REJECTING KANBAN AND THE PACEMAKER CONCEPT</p> <p><i>"... although this will not change my opinion to be accepted or not I would like the authors to include the pacemaker concept in relation to the Drum concept ..."</i></p>	<p>To address this comment we have:</p> <ul style="list-style-type: none"> • Inserted a new paragraph into section 2.2 to explain the pacemaker concept [p.4, para 2]. • Further elaborated upon the nature and degree of variety of part numbers and panels in the first paragraph of section 3 [p.7, para.2]. • Elaborated upon and reworded the reason for rejecting the Kanban/ pacemaker approach with reference to the above within section 5.1 [p.13,para.4]. <p>Please also refer to comment (6) above.</p>

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