

The Challenge

Design & Technical Services (DTS) was contracted to perform an insourced service opportunity with a multi-national off-road and construction manufacturer, managing their on-site Metallurgical Laboratories. The client was experiencing a great deal of pain with their previous supplier regarding employee retention, cost containment, and inadequate leadership.

Employee turnover was 31%, employees were consuming OT and the customer was concerned about the value they were receiving for the costs incurred. Employee dissatisfaction was creating disruption in the workplace and was a distraction for the client's management team because the employees were addressing concerns with the customer rather than the employer.

DTS used Six Sigma to capture the Voice of the Customer and developed a House of Quality to create a roadmap of success. This approach generated valuable feedback from the customer and employees, resulting in improvements such as job descriptions, career path opportunities, tenure based enhanced benefits, on-site leadership, coaching/training programs, comprehensive metrics, and formal metric report-outs.

The Results

Over the course of the first year of implementation, DTS' solution reduced the Total Solution Cost (Labor) by over \$500,000 compared to the previous year. **Employee retention improved from 69% to over 90%**, resulting in an estimated **annualized cost savings of \$143,000**. Employee efficiency also improved, resulting in an **annualized cost savings of \$145,000**. Other "soft" savings included average quality audit scores increased from 2.5 to 4.1, and safety RIR reduced from 6.4 to 2.75.

The customer was extremely pleased and had this to say about the results: "After 9 months with the DTS model, the results have been truly outstanding. Cost of the services are down 13% (**annualized cost savings > \$500K**) while the quality of the service has increased significantly. Contract employee retention has substantially increased (90% vs. 69%), in part, through DTS implementing a new team lead structure that actively engages their workforce."

About DTS

Design & Technical Services (DTS) provides consulting, outsourced and insourced services supporting the engineering and manufacturing industries. From design, analysis, build-test, production, and support, our engineering and manufacturing support services improve the ROI of your product lifecycle.



For more information contact us at
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