Contents

Introduction 1
Chapter 1 Organizing a Cost-Reduction Program 3

Part I Labor 15
Chapter 2 Defining Headcount and Controlling Staff Growth 17
Chapter 3 Developing and Implementing Time Standards 28
Chapter 4 Measuring and Using Efficiency 36
Chapter 5 Assessing Machine Utilization 45
Chapter 6 Controlling Overtime 52
Chapter 7 Making Multiple Shifts Productive 61
Chapter 8 Finding and Reducing Lost Time 67
Chapter 9 Using the Learning Curve to Drive Costs Down 76

Part II Material 87
Chapter 10 Make-versus-Buy Determinations 89
Chapter 11 Inventory Minimization 100
Chapter 12 Material Utilization 110
Chapter 13 Minimizing Supplier Costs 117
Chapter 14 Supplier Negotiation 125
Chapter 15 Supplier Competition 133

Part III Process Improvements 139
Chapter 16 Workflow Optimization 141
Chapter 17 Setup Time Reduction 151
Chapter 18 Material-Handling Improvements 160
Chapter 19 Scrap and Rework Reduction 166
Chapter 20 Work Center Cleanliness 178
Part IV Design 185
Chapter 21 The Design Approach 187
Chapter 22 Requirements Relaxation 194
Chapter 23 Tolerance Relaxation 199
Chapter 24 Materials Substitution 207
Chapter 25 Packaging 211
Part V Overhead 219
Chapter 26 General Overhead Expenses 221
Chapter 27 Travel 231
Chapter 28 Inspection 236
Part VI Gaining Disciples and Measuring Progress 245
Chapter 29 Suggestion Programs 247
Chapter 30 Measuring Progress 253
Index 255