

— OUTGROWING THE FACILITY & MISSING ORDERS —

3X Capacity Growth | 30%+ Productivity Gain 200% Space Efficiency Increase

Background

Company:

A manufacturer of stock and custom point-of-purchase displays, serving a growing customer base with both standardized and highly customized products. The business operates in a dynamic, high-mix environment with fluctuating demand and increasing operational complexity driven by rapid growth and acquisition readiness.

Situation:

Rapid growth, from \$5M to \$20M, pushed the operation beyond what its facility and processes could support. The plant was widely perceived as being at full capacity, with mounting pressure to expand or risk constraining growth. However, underlying inefficiencies were the true constraint. Production lines were poorly balanced, workflows were fragmented, and actual labor hours consistently exceeded quoted standards. Excess work-in-process inventory masked these inefficiencies, while throughput limitations led to late orders and declining profitability. Despite strong demand, the business struggled to meet customer commitments, creating a disconnect between growth and operational performance.

Objective:

The ProAction Group was engaged to demonstrate how line balancing and improved workflow could increase throughput, reduce labor inefficiencies, and unlock capacity within the existing facility, eliminating the need for expansion while supporting continued growth and acquisitions.

Actions Taken

- Applied Value Stream Mapping and gap analysis to identify inefficiencies
- Conducted 9-box inventory analysis to reduce excess WIP
- Implemented line balancing techniques to optimize labor utilization
- Redesigned workflow to improve material and process flow
- Eliminated unnecessary work-in-process inventory
- Developed a future-state facility layout aligned with growth scenarios
- Built capacity and space models to validate scalability within the current footprint

These efforts transformed production from an unbalanced, WIP-heavy environment into a line-balanced, flow-driven operation, enabling the company to triple capacity and support growth within a significantly smaller footprint.

IMPLEMENTATION IMPACT

**200% increase
in production per
square foot**

**3X capacity growth
within existing
footprint**

**Production space reduced from
4,200 sq. ft. to 1,600 sq. ft.
Labor hours per part improved by
11% to 74%, depending on SKU**

**30%+ increase
in production
per labor hour**

- Work-in-process inventory significantly reduced
- Throughput increased, improving ability to meet customer demand
- Enabled scalability to support acquisitions within existing space
- Reduced cost per unit through improved labor efficiency
- Eliminated need for facility expansion (avoided capital expenditure)

THE PROACTIONSM GROUP^{LLC}

Uncover Hidden Value. Drive Transformational Growth.

We help businesses unlock operational excellence and reveal the profit hiding in plain sight
– often without new equipment, new people, or risky investments.

The Competition is Fierce. Change the Rules.™

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