



June, 2010 - Ramping Up, Gradually

## How to ramp up, gradually

Are you feeling it, too?

We're seeing more positive economic signs recently. Many companies are seeing an up-tick in orders, and the gloom is lifting. People want to start ramping up production capability -but *gradually*. After all, no one wants to overcapitalize or build production volume that they just spent two years scaling back to the right size.

Ramping up too fast is risky, but not being prepared to deliver to your key customers can lead to shortages, the need to put people on overtime, paying more for expedited shipping, etc.

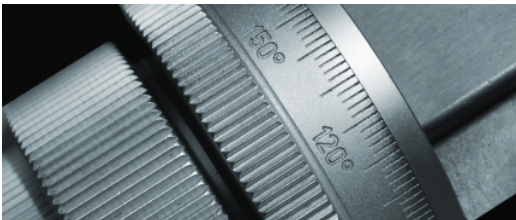
According to The Wall Street Journal, **U.S. manufacturers were operating at about 70% of capacity in April**. That's up from a low of 65% last June, but well below the average of 80.8%. Getting back there, ramping up another 10%, won't come quickly or easily.



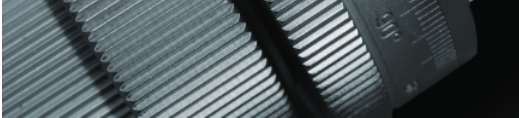
At ProBusS, we see companies looking for the best ways to ramp up plant capacity, and have a few suggestions to help you meet expanding business opportunities.

## Bring equipment back on line

Equipment that's been idle for a while will need to be recalibrated and tested.



This goes for individual machines as well as full lines and entire departments. **How long will it take to bring those operations back up to production specs, including testing at capacity?** You may find you need parts or other assistance from the machine manufacturer, or a machine repair service, and that will add to the time it takes to ramp up production.



Planning now is smarter and more cost-effective than a hurried rush to meet surprise demand.

## Train the team

Whether you're calling back employees who have been out of work for a year or two, or asking existing staff to operate a new line, the staff will probably need retraining. They need to know set-up requirements, day-to-day operating procedures, quality expectations, preventative maintenance needs, and more. It all takes time. **Take advantage of your senior staff to help train and mentor junior staffers.** Recent retirees can be tapped to help, too: they're often eager to share their knowledge and experience, and typically prefer part-time hours, a cost savings for you.



## Leverage your real estate

Does the phrase "expanding capacity" make you wince? After a couple of years of downsizing, no one wants to assume the initial and ongoing costs of more plant space unless they absolutely have to. So use the space you have to better advantage.

Plan and execute machinery moves now to become more efficient and space-smart.

### Reconfigure racking to hold more parts, inventory, materials, etc.

Change over lines to better meet a marketplace that's changed dramatically over the last couple of years.

With a carefully thought out manufacturing strategy you can ramp up capacity with



minimal real estate expansion.



## Anticipate new demands

As we noted above, markets have shifted. Some of your competitors have probably changed; some have disappeared while new ones may have surfaced. Existing customers may have new requirements, or offer new opportunities. As you review your product portfolio and pricing/cost structures, you may find the opportunity to charge more for selected products and services. You may also find the need to cut some prices or eliminate some product offerings to stay competitive.

The biggest challenge, though, is being sure to have the capability to meet customer demands. Your customers are experiencing the same demands from their own customers, and it's not uncommon for them to wonder: **are your capacity, capabilities, and expertise ready to meet the changing needs of the new economy?** How quickly can you ramp up if a key customer doubles its demand for a critical component or service?

Restore capacity at a wise pace, of course, but make sure you're ready to meet the demands of both existing customers and new markets.

## Get expert assistance

Ramping up is a tricky proposition. When you need help, say, changing a plant layout, bringing new or old equipment on line, or fabricating key parts and equipment, the experts at ProBusS are ready to help.



We've done it all. Reconfigured an entire production plant. Installed new machinery and brought old machines back to life. And when it comes to fabrication, we've built everything from machine parts to wooden pallets.

**ProBusS will help you ramp up at a pace that's right for you. Call us at 616-490-4781.**