

**PERFORMANCE MANAGEMENT ASSOCIATES, INC.**  
*Reconnecting The Disconnect Between Strategy,  
Operations & Finance*

**Case Study**

**Inscape Architectural Interiors**

**Synchronous Flow Manufacturing**

**Client Profile and Situation:**

Inscape Architectural Interiors (IAI) designs and manufactures a wide array of highly innovative and integrated product and service solutions for commercial office interiors, including modular interiors, movable walls, office furniture systems, filing and storage products, desks and ergonomic work tools. Headquartered in Holland Landing, Canada and publicly traded, Inscape serves its clients through a network of dealers and independent representatives, supported by state-of-the-art showrooms across North America.

Inscape sells into project environments; thereby making reliability and due date performance extremely important. The company has been experiencing increased price pressure, along with more requests for customized products and shorter lead times. Due to these market factors, the success of the organization is based on the ability of IAI to increase order flow through the specification and engineering departments, and product flow through manufacturing.

Under the direction of a newly formed management team at the Falconer, NY division, IAI undertook an initiative to position the division for break-through market share and improved profit growth performance. IAI contracted with PMA to conduct a Synchronous Flow Manufacturing engagement at the Falconer, New York location, which employs 85 people in a union environment. As part of this initiative, it was essential to challenge the current management practices and to understand the cause-and-effect relationships between these practices and the division's overall performance.



*It was very refreshing to work with the staff from Performance Management Associates. I am use to having consultants come into an organization, tell us things we already know, and go directly to the shop floor so they can "implement everywhere" without consideration for the real financial benefits.*

*Performance Management Associates started with the big picture and sought real benefits. It is from that point; they guided us as to where to apply our efforts so we could meet our operational and profit objectives. They also bridged the gap between traditional financial/managerial practices, and the required improvement initiatives that drive profitability and customer satisfaction.*

*John Spadone, Plant Manager*

## Case Study

# Inscape Architectural Interiors

### Engagement:

The company realized that change was required to effectively compete and profitably grow the business. As with many companies, there are a multitude of changes that could be made, and resources (people, time, money and focus) are limited. Therefore, a clear "cause and effect" understanding of where to target improvement initiatives was essential to best leverage available resources and to meet the company's goals.

PMA was engaged to provide key understandings regarding "what to change" and "what to change to". The deliverables were based on specific knowledge transfer to the client, and challenged well established beliefs and paradigms about:

- Making decisions that translate into holistic results
- Value as seen through the eyes of the customer

To clearly understand the cause and effect relationships between functions, PMA conducted cross-functional reviews to identify flow problem areas from the front-end operations, such as specification and engineering; through production planning and manufacturing. A high amount of focus was placed on evaluating the company's policies and procedures and seeking opportunities to increase product flow for the entire value chain, and not optimizing individual departmental performance.

The following subject areas were explored to support this initiative:

- Increasing the manufacturing velocity and the impact on capacity
- Workplace organization and its impact on improving product flow
- Pull production scheduling techniques
- Buffer management and priority setting in engineering and manufacturing
- ERP/MRP computer system requirements and procedures relating to engineering and manufacturing
- Compensation programs and goal congruence



## Case Study

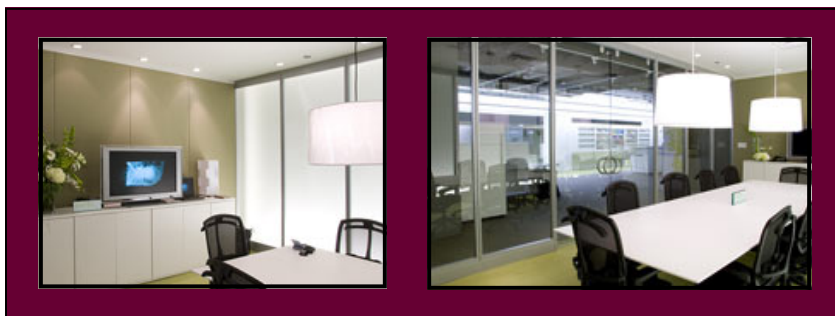
# Inscape Architectural Interiors

### Results:

As a result of this engagement, Inscape Architectural Interiors developed the insight that will serve as a basis to develop a road map for required action items to increase the product flow through the front-end and back-end operations. By examining historical practices as they relate to “outcomes”, the company gained clarity of their core issues that have historically challenged them. By incorporating the following key understandings, the company can prioritize their improvement initiatives from a global system perspective thereby aligning their actions to achieve corporate goals.

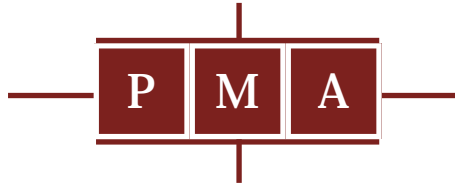
### Key Understandings:

- A very powerful way to increase profitability in a fixed contract environment with very large jobs and competitive pricing is to increase capacity by improving the order flow and manufacturing flow velocity. The capacity gained can be used to generate more sales.
- With the proper synchronization of flow, velocity is increased by adjusting operating procedures, which require minimal or no change to operating expenses and or investment.
- Velocity and product contribution margins are the variables that determine how well an organization leverages its resources to make money.
- In operations with heavy convergent flows, such as assembly operations, there is extreme damage to production lead times and on-time deliveries that result from batching policies designed to increase individual process efficiencies.
- The overall focus should be on “system” efficiency and not attempting high efficiency at every operation. From a cause-and-effect perspective; being efficient at every operation hurts the system efficiency when there are dependent operations as part of the process.
- Proper workplace organization in the key areas will increase capacity and manufacturing flow.
- Pricing that is based upon setups and other traditional costing methods signals to the market a perceived value for a product that is not based upon market needs.
- The cost behavior of setups, labor and other similar costs generally do not change in direct relationship to sales volume. Misconceptions about “causes and financial effects” inhibit planning and execution and achieving desired results.
- Incentive systems that are heavily weighted to individual efficiencies work contradictory to improving flow and global profit objectives.



**JAMESTOWN COMMUNITY COLLEGE CONTINUING EDUCATION  
PERFORMANCE MANAGEMENT ASSOCIATES, INC.**

# Contact Us



## PERFORMANCE MANAGEMENT ASSOCIATES, INC.

*Reconnecting The Disconnect Between Strategy,  
Operations & Finance*

---

**Buffalo, New York Office:**

209 White Tail Run · Grand Island, New York 14072  
Telephone: 716-775-0482 · Fax: 716-775-0482  
Email: [info@pma-associates.com](mailto:info@pma-associates.com)

**Jamestown, New York Office:**

297 Howard Avenue · Jamestown, New York 14701  
Telephone: 716-640-6334 · Fax: 716-775-0482  
Email: [info@pma-associates.com](mailto:info@pma-associates.com)