

SEA Simulation – Lessons Learned

Here are some of the lessons learned from challenging the SEA simulation. These are quotes from suppliers who have played the game more than several times.

1. Doing the simulation is a lot easier than real life. In real life, there are so many distractions and interruptions and fires that you lose sight of the real goal. In the simulation it's very clear – delivery on-time, perfect product, and MAKE A PROFIT!
2. Investing is the only way to be ready for what's coming next. Customer demands will change and if you wait until they are already upon you, you lose business and can't change fast enough.
3. Investing in lean always makes good financial sense. When you don't do it soon enough, you get caught behind the eight ball – all your cash is tied up in inventory and your customers are unhappy about the lead time, the lack of capacity, the quality, and the cost. You don't want to have to dig yourself out.
4. Some controls like adding more overtime do not do much to solve the problem. that's was an eye opener.
5. We wondered what "investment in flow" was and I guess that's the point – we should have known – it's our business. Flow is the design of a production process so that it produces product very quickly with a minimum of waste and cost. We needed to learn how to produce in very low batch sizes – sometimes quantity one – and how to reduce our setup and changeover times.
6. It was interesting to see that investment in reducing scrap only went so far. You couldn't become more profitable by investing too much.