



EPICENTRAL

A Newsletter from Epicenter Development Group highlighting ideas that improve organizations

Welcome to Epicenter Development Group's newsletter, EPICentral. The purpose of this newsletter is to highlight fundamental ideas that have helped organizations develop and maintain great manufacturing and service operations. We hope that you find our EPICentral newsletter helpful, and we would welcome your comments on its content.

Labor Standards - Maximizing Your Most Valuable Asset

Your biggest client has just called and wants you to give them a quote to produce a bazillion widgets. If you're in a labor-intensive manufacturing or service industry, how you design the process to meet their needs, determine the selling price, and manage the resulting operations are all linked to one thing - how much labor (time and money) is required to make a widget. This month's article is about Labor Standards - a proven methodology for estimating the time (and labor costs) associated with manufacturing or service operations.

Benefits:

Labor Standards define the step-by-step requirements of an activity and the associated time allowances given for completing them, and they can be used as a:

- Tool to determine the optimum staffing for office and production areas.
- Tool to estimate the real costs (and profit) of your current or planned operations.
- Benchmark for evaluating productivity and identifying opportunities.
- Foundation for justifying new investments (cost/benefit analysis).
- Foundation for reducing operation changeover times using the SMED technique.

Developing Time Standards:

1. Identify and list the specific activities required to complete a task. Each activity should have a specific start and end point, be listed in sequence order, and be described in as much detail as necessary.
2. Document any tools that are used to complete the task and the room or workstation layout.
3. Estimate the time required to complete each step using either a stopwatch (timing a person doing the activity at a normal pace) or through the use of pre-determined work measurement systems like MOST or MTM. Pre-determined work measurement systems estimate the task times based upon the

- motions required to complete the work (reach, bend, walk distance, etc.).
- The standard time to complete a task is the total of the individual activity times plus a PFD allowance to account for personal time, worker fatigue and typical operational delays.

Seq. #	Activity Description	Time (seconds)	Special Tools
1	Obtain housing with left hand and place into table fixture	4	Table fixture
2	Obtain pump with right hand and position over housing	5	
3	Obtain three bolts and hand screw into assembly	24	
4	Obtain drive and finish assembly	48	Torque-limited, electric screw driver
5	Place finished subassembly on to conveyor	12	Lifting Device

Considerations:

- If the stopwatch technique is used, it is important to study an experienced worker (not a superstar) who is using the proper work method and working at a normal pace.
- The use of videotape is a good means to both document the methods used and gather activity time data.
- Standards help organizations to ensure that every person is using the best method and to monitor potential problems as they occur. For example, if a person is taking more time to complete a task than the estimated (standard) time, that might mean that they required additional training or that there are system issues (e.g., equipment problems) that need to be addressed. On the other side, if a person is taking less time to complete a task, that might indicate that they have found a better method to do the task (opportunity).
- Remember that standards should be used as tool and not a yardstick to punish "slackers." The point is to use standards as a means to determine the proper staffing levels to reach the target capacity and act as an "early warning system" to determine potential issues that may be occurring on the floor in the office.

Next Steps

If you would like more information on this topic or other similar types of tools, please contact Bill Proctor with your request at wproctor@epicentergroup.com or 216-702-0952. You can also find previous issues of EPICentral at [Newsletters](#).

Mr. Proctor also speaks on a variety of problem-solving and system design topics that can help companies significantly increase the success and profitability of their businesses. If you are interested in having Bill speak at one of your upcoming meetings/events or would like more information on any of the speaking topics, please visit [Speaker Services](#) or you can email sales@epicentergroup.com.

consulting firm that seamlessly integrates the disciplines of Systems Engineering and Organizational Analysis & Development to create practical design solutions to your toughest challenges. It is on the cutting edge of problem-solving solutions and the creator of a unique process called GreenRoom Engineering. This process adds greater value and cost savings for clients as compared to traditional engineering methods.

William Proctor, Epicenter's founder and president, has provided services around the country to more than 100 companies consisting of a variety of organizations; and Epicenter continues to grow as a resource for firms of all sizes.

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