Universal Rob Inc. - Shampoo Costing / 23 Aug 2019
/ Joan Mondra

DMAIC Template

Complete

<table>
<thead>
<tr>
<th>Inspection score</th>
<th>Failed items</th>
<th>Created actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>87.50%</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

Project Name
Universal Rob Inc. - Shampoo Costing

Location
360 A.Luna St, Majayjay, Laguna, Philippines

DMAIC Practitioner
Joan Mondra

Conducted on
📆 23rd Aug, 2019 ⏰ 8:00 AM +08
**Failed items**

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**Inspection / DMAIC / Improve**

<table>
<thead>
<tr>
<th>Were potential improvements validated through pilot studies?</th>
<th>No</th>
</tr>
</thead>
</table>

**Notes**

This is just an in-house management decision.
DMAIC

Define

What are the project goals?
Identify why the costs have increased sharply for 3 branches.

List customer (internal and external) deliverables
- Hypemart (10 boxes weekly)
- Watermart (10 boxes monthly)
- Alphmart (5 boxes monthly)

Measure

Is there a data collection plan developed to quantify the problem? Yes
Is the current performance of the process determined through benchmarking? Yes

Problem statement
The costs increased 20% higher compared to last year without creating more revenue.

Analyze

What are the performance objectives?
To identify the root cause of sudden increase in production cost

Identify value/non-value added process steps
Non-value: Transportation, Overproduction

Specify the sources of variation
- Different delivery days for each branch.
- Increased stocks from 80 boxes per month to 100 boxes

Describe the few vital inputs in relation to the output
High Control and High Impact: The focus of the team.

Root cause of the problem
On average, it appears that inventory costs were 15% higher than in the previous year, among other things due to ‘older’ stocks are left longer in the warehouse.

Improve

1 Failed
### Potential solutions

Implement "no overtime" for employees to limit production time and cost. Implement Fist In First Out (FIFO) process.

<table>
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<tr>
<th>Are operating tolerances of the potential system well-defined?</th>
<th>Yes</th>
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<td>Were design experiments performed?</td>
<td>Yes</td>
</tr>
<tr>
<td>Were potential improvements validated through pilot studies?</td>
<td>No</td>
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</table>

**Notes**

This is just an in-house management decision.

| Were potential solutions assessed and re-evaluated? | Yes |

### Control

What is the monitoring and control system in place?

Regular inventory checks for new and old stocks. Re-arrange stocks according to production dates.

| Was the statistical process control implemented? | Yes |

Transfer plan (handoff to process owner)

Coordinate changes on delivery dates.

| Were benefits, cost savings/avoidance & profit growth verified? | Yes |

### Completion

**Additional recommendations**

Monitor all changes, if there's a bigger impact on production costs.

**Full Name and Signature of DMAIC Practitioner**

Joan Mondra  
23rd Aug, 2019 8:57 AM +08