

EXECUTIVE SUMMARY

Sri Lankan rubber products manufacturing industry is composed of 4,530 manufacturing organizations of varying sizes while around 70% of local rubber production is consumed by those industries. Sri Lanka produces the world's best natural rubber. Loadstar Private Limited (LPL) is one of the reputable major suppliers of rubber products to the international market which is jointly owned by Camoplast Solideal Limited of Canada and is the manufacturing division of the company. It consists of eight production facilities throughout the Island which account for more than 2% of the country's even billion dollar export earnings. Twenty Five percent of world's Solid Tyres and 5% of the industrial tyre market hold by LPL.

Though LPL is the market leader and its closest competitor is also operating from Sri Lanka while new competition is emerging from China and India for cheaper products while LPL is facing some issues of inventory control which increase the inventory cost and longer production lead time which is due to frequent and unplanned machine breakdowns and unavailability of Maintenance, Repair and Operation (MRO) inventory as and when required.

Authors as Project Team Leaders identified the MRO inventory management and MRP process, inefficiencies in both processes where acceptable cycle time was 34 minutes but it goes up to 324 minutes when do plant to plant exchange 88,169 (or 61 days) due to errors in MRP errors. The MRO item service level was 83% which is expected to be at least 96% and 100% is the ideal situation while the actual as at April increased to 86%.

Process mapping of MRO process and MRP process with employee engagement and competency improvement made the LPL to improve the MRO item service level to 86% while saving LKR during the project planning and implementation period of 4 months. The Benefit – Cost Ratio is 63.48 while it could expect more savings with the implementation of revised processes. Maintenance cost reduction reduced of LKR 0.923 million and air freight cost reduction due to production increase was LKR 5.5 million while inventory cost reduction was LKR 27.79 million.