

Joy Global Leverages Kronos Workforce Management to Improve Operational Performance Worldwide

Kronos for Manufacturing | CASE STUDY

JOYGLOBAL

EMPLOYEES: 18,000

INDUSTRY: Mining equipment manufacturing

PRODUCTS:

Workforce Timekeeper™
Workforce Absence Manager™
Workforce Activities™

KRONOS SOLUTION UTILIZED AT SITES IN:

United States
China
United Kingdom
Australia
South Africa
Chile (planned)
Peru (planned)
Brazil (planned)
Mexico (planned)
Canada (planned)

“With the labor data collected in Kronos, we now compare actual hours to the standard ... This will help increase profitability, because we have a better handle on our cost structure.”

*Lynne Schreiber
Global Kronos Manager
Joy Global*

Joy Global Inc. is a worldwide leader in high-productivity mining solutions. Through its market-leading surface and underground business units, Joy Global manufactures and markets original equipment and aftermarket parts and services for the mining industries. Joy Global’s products and related services are used extensively for the mining of coal, copper, iron ore, oil sands, gold, and other mineral resources. To assist customers, Joy Global facilities and equipment service centers span six continents and more than 20 countries.

CHALLENGES

- Having no standard time and attendance and shop floor labor data collection tool across the company made labor analysis difficult
- With localized rules and processes, gaining a comparative or global picture of performance was challenging
- Lack of visibility into detailed labor data to compare actual time to standard made operational improvements elusive

SOLUTION

- A global Kronos® workforce management solution with easy access to detailed labor data for informed decision making that helps improve operational performance and productivity

BENEFITS

- Globally consistent labor reporting that reveals production time and costs by business unit, location, cost center, and work center
- Labor visibility allows comparisons of actual hours to the standard, supporting continuous improvement and influencing pricing decisions to increase profitability
- Weekly global performance metrics on productivity, efficiency, utilization, and nonproductive time guide operational performance improvements
- Comparison of labor performance by site supports performance improvements and production decisions

THE STORY — JOY GLOBAL

Joy Global had no standard time and attendance and labor collection tool for its facilities around the world. Locations used a mix of decentralized manual and legacy automated solutions. With time and attendance practices localized, the company wanted a global solution that could provide consistent processes across the organization and consistent interfaces with its HR system.

Joy Global's core values focus on implementing programs and initiatives that will make the company more efficient and effective. With this in mind — and the need for a global, multi-language solution — the company selected a Kronos automated workforce management solution. The result has been consistent reporting of workforce data from around the globe, allowing management to utilize metrics to improve business performance.

Global standard for workforce management

Joy Global has made its Kronos solution the global standard for timekeeping, attendance, and shop floor labor tracking for its hourly workforce of shop floor union, non-union, and contractors at its manufacturing and service centers, as well as field services personnel at locations around the world.

“Each time and attendance implementation is localized to account for union and statutory requirements of the country or area,” shares Lynne Schreiber, global Kronos manager for Joy Global. The Kronos solution has the flexibility to accommodate these local variances.

Labor data visibility supports continuous improvement

“Our directive is to create a globally consistent labor reporting process supported by Kronos Workforce Activities and our SAP system, which are tightly integrated,” says Chris Wright, Joy Global's project manager for Kronos labor. Every hour, SAP sends open confirmations — each representing an order, part number, and operation — to Joy Global's Kronos solution.

Using bar code scanners attached to Kronos time clocks and PCs, shop floor employees post their hours and the quantity completed against a specific confirmation. Joy Global tracks the time spent working on production orders and captures in which business unit, location, cost center, and work center the work was performed. This information is fed back to SAP every 15 minutes.

Employees at the service centers capture actual hours worked on a service order, which is posted against the order in SAP, helping increase accuracy in billable hours. Time spent on plant maintenance is measured as well.

“With the labor data collected in Kronos, we now compare actual hours to the standard, which we weren't able to do before because we didn't have visibility to the actuals,” Schreiber explains. This information is used to support continuous improvement.

For example, Joy Global has a standard for time needed to prepare a part for the work. “By looking at the history of the setup time and comparing it to the standard, management can now see where they need to make adjustments,” notes Wright.

Utilizing labor data for informed decision making

Global performance metrics — productivity, efficiency, utilization, and idle or nonproductive time — are reported weekly. Finance staff pulls the weekly report, posts it to the intranet, and emails it to operations management, helping them determine how to improve operational performance.

Shop floor managers view real-time reports to see which employees are working on each production order. This real-time visibility supports day-to-day operational decision making. “We are able to make intelligent business decisions by evaluating our labor data,” says Wright.

For example, Joy Global uses its Kronos solution to measure all indirect time (i.e., time not spent on direct production). Employees allocate their time to specific job codes, such as waiting for a crane to become available. At the end of the year, a report shows how much time was spent on each indirect activity. If an excessive amount of time was spent waiting for a crane, the data can help justify purchasing an additional crane for the site.

Mining data to improve performance

“We can now compare performance from site to site, which supports production decisions,” says Wright. If it takes longer to build a part at one site than another, by analyzing data the company can determine why and make changes to improve performance or elect to build the part at the more efficient site.

Joy Global's Kronos solution has become a critical financial and operational tool. “Our goal is to collect actual time and compare it to standards, which leads to more accurate routing and standard costs,” notes Schreiber. “This will help increase profitability, because we have a better handle on our cost structure. Ultimately, this enables us to set our selling prices to obtain the margin we need.”



Kronos Incorporated 297 Billerica Road Chelmsford, MA 01824 +1 800 225 1561 +1 978 250 9800 www.kronos.com

More information about Kronos customer success stories may be found at www.kronos.com/resources.

© 2014, Kronos Incorporated. Kronos and the Kronos logo are registered trademarks of Kronos Incorporated or a related company. For a full list of Kronos trademarks, please visit the "trademarks" page at www.kronos.com. All other product and company names mentioned are used for identification purposes only and may be the trademarks of their respective owners. All specifications are subject to change. All rights reserved. MF0172-USv1