



Customized Quality Management Helps Save Costs

JAN 2023
Case Study



I. Introduction

The worldwide signage market is anticipated to grow at a 6.3% CAGR from 2022 to 2031, reaching US\$63.3 billion by 2031.

Signage demand will be directly impacted by structural changes in the retail business and the adoption of more sophisticated tactics. The conventional retail industry has changed due to the market's extreme fragmentation and growing competition from e-commerce companies for physical locations.

This will generate an enticing potential for the growth of the signage industry between 2021 and 2031, according to a report by Future Market Insights (FMI).

However, signage manufacturers face numerous challenges, from design and material selection to production and installation. Some of these challenges can be:

Design errors: Inadequate layout, incorrect dimensions, and other design flaws can result in signs that are unusable or challenging to read. For instance, if the sign is too small or too large, it can make it difficult to read from a distance or up close.

Moreover, the sign may be challenging to read or understand if the layout was not carefully planned or implemented. Design flaws are any additional problems with the sign's layout that might make it challenging to read or comprehend. Poor typography, unappealing color schemes, or a lack of contrast between the backdrop and the text are a few examples of these.

Scalability: Outsourcing can offer a more flexible and scalable option, enabling businesses to react rapidly to changes in demand.

Material issues: Signs may not be long-lasting or durable if improper or low-quality materials are used. The term “improper materials” describes materials that are not appropriate for the sign’s intended usage or setting. For instance, utilizing paper or cardboard for an outdoor sign will expose it to the elements, and will be unable to endure weather conditions like rain, wind, and sunlight.

Production problems: Poor craftsmanship, inaccurately calibrated equipment, and other production faults might result in unsatisfactory signage. Unsatisfactory signs might also be caused by inaccurately calibrated equipment. The final product may have flaws if the manufacturing equipment is not properly calibrated.

Installation challenges: Signages poorly installed or poorly prepared for the location may not be firmly attached or be challenging to read.

Maintenance and repair: If signs are not constructed or installed properly, they may deteriorate or become worn out, necessitating ongoing maintenance and repairs. These expensive repairs might involve repainting, replacing missing or broken pieces, and repairing structural issues.

Permits and compliance: Local laws and rules may apply to signage, and breaking them might result in fines or other consequences.

Expertise: Outsourcing to companies like ARDEM can help clients tap into specialized knowledge and the latest technologies, materials, and techniques they may not have in-house.

Cost savings: By outsourcing some manufacturing processes, companies can reduce overhead costs and improve the bottom line.

Increased efficiency: Outsourcing non-core activities can help companies focus on their core competencies and improve efficiency.

Shipping and delivery: A sign might be destroyed or damaged if it is not properly wrapped and handled during delivery and transportation. This might result in dents, scratches, or even total ruin of the sign, which would slow down and complicate installation. Additionally, the sign may shift or move about during shipment if it is not securely anchored, which might result in additional damage. This can result in increased expenses, a hold-up in the installation, and client dissatisfaction.

Understanding and addressing these complications is crucial for ensuring the successful and efficient production of high-quality signage for manufacturing companies.

However, outsourcing signage manufacturing may give a new viewpoint and considerable cost advantages. Businesses can concentrate on their core capabilities and outsource non-core tasks, thus increasing efficiency and minimizing expenditures connected with non-core activities. Ultimately, outsourcing the manufacturing of signage can help businesses to achieve their goals more effectively and efficiently.

Flexibility: Outsourcing allows companies to be more flexible and adaptable to changes in market conditions and customer needs.

Simplifying the workflow: Several factors, including site assessments, the installation of hardware and software, and the integration of utilities, go into a successful deployment. Companies will not have to worry about keeping track of numerous specialists and service providers since signage professionals can assist in organizing each of these jobs.

Ensure to follow the legal guidelines: Outsourcing signage manufacturing can also help companies ensure that their projects comply with all legal guidelines. Outsourcing to a reputable vendor, like ARDEM, can also help companies avoid potential legal problems and liability issues that may arise from non-compliance.

II. Client Background

A leading US-based company in the signage industry providing industry-leading design, manufacturing, installation, and maintenance of signage, lighting, and architectural elements to construction companies, design firms, national brands, and local customers was struggling to maintain a consistent level of quality and efficiency in its manufacturing processes.

To address these issues, the company decided to outsource a quality assessment of its processes to ARDEM, a leading outsourcing company in the manufacturing industry. By working with ARDEM, the company could streamline its manufacturing processes, improve the quality of its products, and increase its production capacity to meet the demands of its customers.

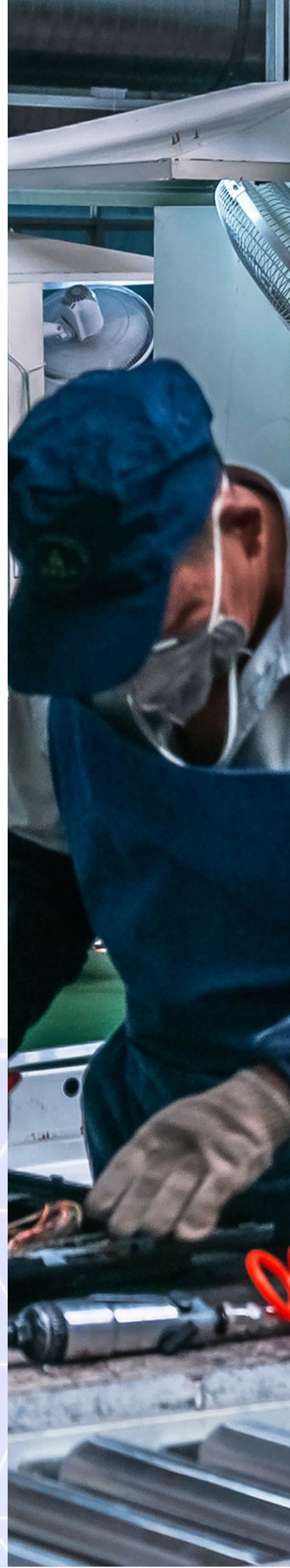
Worldwide Signage Market

6.3% CAGR

From 2022-2031

\$63.3 Billion

By 2031



III. Client Issues

The company faced several challenges in maintaining a consistent level of quality and efficiency in its manufacturing processes.

These challenges included:

High levels of rework: The company was experiencing a high rate of rework in their manufacturing processes, hindering their ability to satisfy customer requests and adding to delivery delays.

Inadequate quality assessment: The company struggled to evaluate the products' quality across several processes and divisions, from program preparation for a sign to dimensions of each sign, designing, etc., which resulted in bad quality and unsatisfied customers.

Lack of clear dollar value for each department: The company did not establish clear dollar values for each department, making it challenging to monitor and evaluate the performance of each department separately.

Poor documentation: Company's documentation for their various manufacturing processes was not in compliance with ISO 9001 protocol, which created obstacles in quality management and assessment.

Quality Management System (QMS) was not in place: The company did not have a quality management system (QMS), but they were interested in implementing one to raise the quality of their goods and services.

IV. Findings

ARDEM thoroughly evaluated the company's manufacturing procedures to address the quality concerns the business was experiencing. ARDEM examined over 90 documents about various procedures during the assessment, and queries were also raised to determine whether the processes were built-in or recorded and produced in a well-documented manner. This aided ARDEM in comprehending the scale of quality and identifying areas that need improvement.

During the evaluation, ARDEM discovered several recommendations to raise the quality of the company's goods and services.

- They discovered, for instance, that transporting huge signs may be challenging and that packing is a crucial part of the production process. Additionally, they found that broken, scratched, and damaged signs were being reported at the installation location, which can be a sign that the packaging team or the transportation team is having problems.
- In addition, ARDEM discovered that several drill-down techniques were required to be in place to make the data accessible for in-depth analysis and that many employees were unaware of the requirements for high quality and how to track data.



- Additionally, ARDEM discovered that there was no mechanism for monitoring and reporting concerns at installation sites and that the company's management team was unaware of the issues being reported at any of its 11 manufacturing locations. To solve this, ARDEM designed a tracker for the teams that required detailed information from each department to be filled out. This would offer management visibility into delays and problems at different stages, such as material location and manufacturing.
- Additionally, they discovered that the best quality levels were not yet established for each department or at a company-wide level.



V. Solutions

To address the company's quality issues, ARDEM offered a comprehensive solution that focused on improving the quality control of each department. The solution included several key elements:

Tracker for teams: ARDEM designed a tracker for their teams and assisted the organization in identifying the management and communication gaps across various divisions. This tracker required detailed information from each department to be completed and would provide management with visibility into delays and problems at multiple stages, such as the location of materials and production.

Root-cause analysis: ARDEM went above and beyond the call of duty by demonstrating to the company the direction of productivity, how to address problems, what problems there are, who needs to be engaged, and how to perform root-cause analysis.

Accountability setting: ARDEM aided the business in establishing accountability at the operational and senior management levels, fixing mistakes, and establishing accountability for each department.

Corrective actions: ARDEM helped the company to prepare for corrective actions by providing visibility for each department and how each is doing and by ensuring that each location was able to provide the necessary information, including the associated dollar value.

Employee education: ARDEM gave training on how to track data and comprehend the quality fundamentals after realizing the need for employee education and the fact that many employees were unaware of the quality basics and how to track data.

Culture change: ARDEM acknowledged that a culture change was required in governance, and everyone was questioned at a higher level.

Cost savings: Finally, ARDEM helped the company to establish a baseline for cutting losses and fixing accountability for each department, to save cost.

As a result of implementing these recommendations, the company significantly improved the quality of its products and reduced the amount of rework required. They also saved significant money by cutting losses and improving efficiency in their manufacturing processes.



ARDEM Incorporated

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