

# The £50k Efficiency Checklist:

## Are You Leaving Money on the Table?

### Introduction

Every day, manufacturing businesses lose thousands of pounds due to hidden inefficiencies. These losses are often overlooked because they seem minor in isolation – but together, they drain significant resources and reduce profitability.

This guide gives you a practical checklist to identify the top efficiency drains in your operation. By taking 15 minutes to work through these areas, you can uncover hidden costs, quantify opportunities for improvement, and take the first steps toward unlocking serious savings.

If you find areas where you score poorly, a *Kaizen Sprint* can help you drive rapid improvements and capture those lost profits.

### The ‘Hidden Cost’ Audit

Here are five silent efficiency drains that many factories overlook. Answer each question for your own operation. If the answer isn’t a consistent, robust “Yes, then it’s really a “No”.

#### a) Changeovers & Setups

- Are changeovers documented and standardised to minimise downtime?
- Do you track actual changeover times vs. targets?
- Are operators fully trained to execute rapid changeovers?

#### b) Motion & Transport

- Is there unnecessary movement of materials or people?
- Have you mapped workflows using Spaghetti Diagrams?
- Is the factory layout optimised for flow and minimal transport?

#### c) Quality Losses & Defects

- Do you track and analyse defect rates by process?
- Is there a robust root cause analysis process in place?
- Are quality checks integrated smoothly into workflows?

#### d) Bottlenecks & Waiting

- Are there known bottlenecks limiting overall throughput?
- Do you monitor cycle times and address slow spots?
- Are upstream and downstream processes balanced?

#### e) Inventory Management

- Are you holding excessive raw materials or WIP?
- Is inventory managed by pull systems to reduce overproduction?
- Do you have clear visibility of aged or obsolete stock?

If you responded “No” more than once, there is likely significant hidden waste in your processes.

### Changeover Calculation – What’s It Really Costing You?

Changeovers are often a hidden goldmine for efficiency gains. Use this quick calculation to quantify your changeover cost:

***(Changeover Time) x (Hourly Production Rate) x (Product Value) = Hidden Changeover Cost***

**Example:** If a line takes 2 hours to change over, produces 500 units/hour, and each unit is worth £20:

Changeover time	x	Production rate	x	Product value	=	<b>Hidden cost</b>
2 hrs	x	500	x	£20	=	<b>£20,000</b>

Now calculate your own:

Changeover time	x	Production rate	x	Product value	=	<b>Hidden cost</b>
_____	x	_____	x	_____	=	_____

If you run multiple changeovers per week, those numbers add up quickly. Rapid SMED (Single Minute Exchange of Dies) techniques in a *Kaizen Sprint* can slash these times by 30-50%.

## Waste Walk Worksheet

The 8 Wastes framework identifies common sources of inefficiency. During a quick 20-minute walk on your shop floor, observe and check off any of the following wastes you spot:

Waste	What to look for	Observations
<b>Transport</b>	Excess movement of materials and info.	
<b>Inventory</b>	Large volumes of raw materials, WIP and finished goods.	
<b>Motion</b>	Excess movement of people as work is done.	
<b>Waiting</b>	Waiting for materials, info, instructions, skills etc.	
<b>Overproduction</b>	Making more than required for orders or stock.	
<b>Overprocessing</b>	Additional process steps or over-specification of materials and products.	
<b>Defects</b>	Scrap, rework, reprocessing, and downgrades.	
<b>Skills not Utilised</b>	Skilled labour conducting low-skill work, not involving team members.	

Any wastes you identify should be investigated, there are immediate savings to be captured.

## Self-Assessment Quiz: Is Your Factory Leaving Cash on the Table?

Answer these questions honestly to assess your current efficiency:

1. Do you regularly track and reduce downtime? (Yes/No)
2. Are changeovers consistently under a defined target time? (Yes/No)
3. Do you have a process for identifying and eliminating the 8 wastes? (Yes/No)
4. Is there a structured approach to problem-solving and root cause analysis? (Yes/No)
5. Have you conducted a value stream map in the last 12 months? (Yes/No)

If you responded “No” more than once, the way you manage waste reduction and optimisation of processes could be severely impacting your profitability.

### What Next? Unlocking Rapid Efficiency Gains

If your answers to these questions were more “No” than “Yes”, you’re likely leaving substantial money on the table. Many businesses find hidden savings worth **£50k** or more just by addressing a few of these areas.

A *Kaizen Sprint* accelerates this process. In just 3-5 days, we:

- Pinpoint high-impact opportunities
- Implement practical solutions with your team
- Deliver measurable results that improve your bottom line

We have lots of case studies to share including: a dairy that saved an annual £30k of whey to drain over 4 days, and a cashmere garment business that increased production by £30k of finished goods per week! If you’d like to read more about these, get in touch and we will send you them.

Ready to unlock your hidden savings? Let’s have a quick, no-pressure conversation to explore how a *Kaizen Sprint* could deliver rapid improvements for you.

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