

## CASE STUDY



## Background

Tilley Endurables was founded by Alex Tilley in Canada in 1980 with the simple mission of creating the world's best sailing hat. Building on its initial success with the sailing fraternity, the business continued to develop innovative products with an uncompromising focus on quality and customer service, establishing Tilley as the premium hat brand of choice for lovers of travel, adventure and the outdoors, the world over.

Proudly 'Made in Canada' and guaranteed for life, 335,000 Tilley hats are produced every year by the company's Toronto factory's in a 41-step manual process.

## Process Improvement Team's role

- Assigned to review hat factory production and planning processes and identify efficiencies immediately on Hilco Capital's acquisition of the business in April 2015
- Worked with Tilley's factory management team to produce detailed manufacturing process map and Pareto analysis of key activity drivers to target throughput improvement in-house
- Devised and implemented cost effective process improvements, eg multi station hat steamers (pictured top right) to replace hand held steamer (pictured top left)
- Conducted additional full review of retail customer service administration business processes

## Results

- Operational cost reductions in excess of \$1.2m p.a. achieved within first 12 months
- Hat factory production increased by 33% within three months of plan implementation
- Productivity per employee increased by over 48% with just \$8K capex spend on new hat steamers (photos)
- Hat factory productivity gain achieved in parallel with 9% voluntary headcount reduction, delivering further \$175k annual saving over base cost improvement
- Eliminated non-added value 'alterations' and charges applied to progressively positive influence customer behaviours
- Customer registration card data entry optimised via business process mapping – from previous six minutes to 40 seconds per card

## Key facts

**335k**  
hats produced  
annually

**41**  
step manual process

**\$1.37m p.a.**  
efficiencies achieved  
in 12 months

**33%**  
increase in factory  
output in 3 months

**48%**  
productivity increase  
per employee