

Preparing for Temporary Plant Closure

Prepared by Michael Scott
October 2017

Executive Summary

The background section identifies and explains the issue. The purpose of the summary should be stated outright.

Background

In the past few months, employees have increasingly requested reductions in plant processes in the summer months. As a result, the company executives have considered whether providing such a reduction would harm revenues in our local production plant. This report determines whether the company should develop a reduced production plan during the month of July when production decreases. The analysis covers the following areas: (a) plant orders for the month of July (b) employee wage/time rates (c) risks of a temporary close and (d) best practices and standards for plant close and reopen.

Generally, the research shows that production demand drastically reduces during the summer months, with the majority of processes being outsourced to our sister plant at headquarters. Many other top production plants, including our top competitors, utilize a temporary close in the month of July for equipment repairs. The temporary shut-down will eliminate idle workers, the top complaint among employees at the plant during this period. Right now, when we have time to implement a temporary shut-down plan 6 months ahead, is the perfect time to process and redistribute production to our headquarters for the month of July.

The findings will justify the recommendation based on evidence. Use exact figures when possible.

Findings

Plants of comparable size have reported strong return on investment in utilizing a temporary shut-down. Research shows that using the time to perform equipment repairs when production is at a halt will increase production by 5%. The increase in production comes from full-functioning machinery consistent with product orders.

During the mandatory shut-down, employees have the option of vacation time. In a survey conducted by our corporate HR office, 88% of employees responded positively to this option (Campbell, 2017; Temporary Close Report, 2017). Employees who have already used vacation time for the year will be given priority options to report to work for machine quality control checks.

Include citations.

The risks of a temporary close can be drastically reduced with the proper planning. A substantial majority of similar plants have reported 3-7% increases in productions after a temporary shut-down and only 1% of those reported experienced any difficulty in re-opening (Smithson, 2016). Of all the plants included in the study, each said the return on investment was worth the risks.

Results of this report indicate that a temporary plant shut-down during our slowest production time, July, will be an easy, cost-effective solution to employee complaints. In addition, the shut-down is scalable when employees are given the vacation/work option. In particular, we recommend the following actions during the next few months:

1. Meet with all floor managers to create an exact timeline for closing procedures
2. Contact and schedule equipment repairs for July 2018
3. Redistribute product orders to headquarters

Remember, the length of the summary will vary depending on the report and/or company. Usually, the summary is 5% of the report, or the company may stipulate one page.