ı Dollar Week for One Manufacturing Plant

arch, a plastics manufacturer in Henderson, Kentucky hosted week-long Lean Systems Bootcamp facilitated by KAM er, Institute for Lean Systems (ILS). The company had recently been purchased and partially consolidated by the new s who were intent on returning this struggling manufacturing operation to profitability.

p of 22 people, mostly managers from other companies in the new owner's portfolio, met on March 2 not really know o expect for the week. They had been told that they would be attending a training course with a heavy hands-on nent. When they arrived, Parthi Damodaraswamy, ILS's Director of Operational Excellence, divided them into four te ed introductory training on lean thinking, focusing on 5S and visual controls, basic problem solving, waste, and flow, ıem to the manufacturing floor to identify problems. [5S is a lean tool for understanding the work done in a particula tation, then removing anything there that is not essential to the work, organizing everything that is essential for quicl ccess, cleaning the work area so everything is more visible, documenting the standard for the workstation, and stickiı andard.]

ams returned after a couple of hours with a long list of problems which they grouped into nine projects. All nine proj ompleted over the next four days.

jects required more specific training, Parthi presented new information and lead discussions and activities to maxim ıg. Through the week, the groups learned about motion economy and ergonomics, pull systems with a variety of sign ntrol mechanisms (called kanbans), standardized work analysis and documentation, time study methods, and proces ng and analysis. After the discussion of each concept, they went to the floor and put it into practice through their pro

projects optimized the process flow of several machine centers so they required fewer operators to fully satisfy custc ıd. Another did the same for the warehouse. All told, 19 positions were identified as excess. After eliminating overti ng some part-time and temporary workers, and reassigning some others, the company was able to reach this target ıt laying off a single full-time employee. Only one of the projects required a capital investment ($4,000), but the savir hese projects realized by the end of the week totaled $665,000!

ɔtimization of flow also made it possible to control contaminants reaching the product resulting in significant quality vements, saving scrap and rework valued at $31,753 annually. New pull systems implemented during the week enab o operate with less inventory and still get the product to the customer more reliably, saving another $195,000. The f ts allowed the company to stop using certain handling equipment they were leasing for $12,000 annually. They freed h floor space to eliminate the need for outside storage, for which they were paying $13,200 annually. The another pr ated the need for stretch-wrapping at one warehouse operation that would save $9,000 in consumable materials eve

ams engaged all employees during the planning and implementation of all of these projects and everyone realized tha ıt a successful week, the plant was likely to close down for good, costing all the jobs there. Everyone pulled together lentified barriers, and managed to overcome most of them. At the end of the week, the total savings amounted to $92 re not out of the woods yet, as this segment of the economy is still hurting, but with their new learning, they can now challenges more confidently.