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September 2008

# Institute for Lean Systems Newsletter

## September/October Issue

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### Quick Links and Upcoming Events

[Register Now](#)  
[About Us](#)

**ILS Lean Operational Excellence Certification Series, Begins October 6, 2008. [Register today](#)**

**Japan Study Mission II, November 17 - 21, 2008. [Register](#)**

**Executive Excellence Diploma workshop, November 17 - 21, 2008, Hilton Garden Inn, Georgetown, Kentucky. [Register](#)**

**Applying Lean Across the Supply Chain Workshop, October 27 - 31, 2008, Penn State University, State College, PA. [Register](#)**

**Stay tuned! We're launching a course on lean and environmental sustainability in January! More details will follow in a special announcement coming soon.**

**For more information about any of these programs, [click here](#).**

[Join Our Mailing List!](#)

### Dear David,

I hope this message finds you well. Hard to believe that summer's almost over. Before you know it, the leaves will be falling - and we'll be getting ready for our November trip to Japan. There's still time to sign up at Japan Mission II.

If your business is like most, times have been tough lately. But some companies seem to be weathering the economic storm quite well. One such company is Columbia Forest Products, North America's largest supplier of hardwood plywood and hardwood veneer. Although no sector of our economy has been hit harder than housing, Columbia is going strong. How have they managed this? Read Client of the Month below.

And for a look at lean from Down Under, check out the Aussie response to our Competitive Enterprise Course. This is our Australian version of the Lean Operational Excellence Certification Series, offered through a program accredited by the state of Victoria Australia in partnership with TexSkill Ltd.

Our [Lean Operational Excellence Certification Series](#) starts with Course 1 of 3: The Lean Work System from October 6 - 10. Course 2 and 3 follow in November and December. You can kick start your lean transformation with this intense, hands-on, and practical educational experience.

Also, we have another [Executive Excellence Course](#) coming up in November. It's a great way to provide your key executives the foundational knowledge they need to lead the lean transformation of your business. So if you haven't signed up, there's still time.

Please remember we love hearing from you. Let us know what your lean experience has been. Or just drop us a line to say hello or update your contact information.

As always, many thanks for your help in getting this company going and growing. We look forward to serving you well for years to come.

### Client of the Month

Columbia Forest Products finds it pays to be lean and green



**WE CARE.**

*After all, it's our company.*

Like other companies in the hard-hit housing sector, Columbia Forest Products is going through some tough times. But Columbia, North America's largest manufacturer of hardwood plywood and hardwood veneer, has managed to more than hold its own because of two important steps the company took long before the housing bubble popped.

The first was to implement Toyota-style lean business practices in all of its plants in the U.S. and Canada. Through a partnership with the Institute for Lean Systems, Columbia has been able to cut annual expenses by more than \$6 million - without laying off any people.



Jean Cunningham To  
 Conduct Master Classes at  
 The Manufacturer in  
 London, October 15th and  
 16th

ILS helped Columbia achieve the savings by standardizing work procedures and streamlining work flow to eliminate unnecessary steps and speed up production.

Using "just in time" production techniques, Columbia reduced the time it takes to fill a customer's order from around 30 days to a matter of hours. As a result, the company was able to drastically reduce inventory, which resulted in a significant savings.

"ILS showed us how to maintain or improve productivity and improve quality with fewer resources," said Bill Duarte, Columbia's director of lean.

Columbia developed such a close relationship with ILS consultant Parthi Damodaraswamy that it named him an honorary member of the company's board of directors.

"Parthi has been absolutely critical in our success," Duarte said. "He helped us look at our systems as a whole and helped guide us through our strategic planning."

The second step Columbia took was to implement a formaldehyde-free manufacturing process in all of its plants, using a patented technology the company developed in conjunction with the College of Forestry at Oregon State University and Hercules Incorporated. Formaldehyde has been classified a carcinogen by the World Health Organization

"Eliminating formaldehyde gave us a big advantage over our competitors, most of which still use formaldehyde in their glue," Duarte said.

Development of the "green" technology earned Columbia a Presidential Green Chemistry Challenge Award from the U.S. Environmental Protection Agency (EPA) in 2007.

Columbia Forest Products is an employee-owned company that employs more than 2,500 and operates facilities throughout the United States and Canada. Columbia's decorative veneers and panels are used in cabinetry, furniture, architectural millwork and commercial fixtures. The company is based in Greensboro, N.C.

PENNSTATE



SMEAL College of Business

Applying Lean Principles Across the Supply Chain:

A 4-day workshop conducted in a unique partnership between ILS and Penn State University. [Register today](#) for our October 27 - 31 Course in State College, Pennsylvania

## Competitive Enterprise course draws rave reviews from Down Under

Class attracts diverse group of participants

Twenty participants from Australian manufacturing companies, academic institutions, marketing organizations and agri-businesses recently completed a Vocational Graduate Certificate in Competitive Enterprise conducted by the Institute for Lean Systems in a unique partnership with TexSkill Limited, an Australian Registered Training Organization. The six-month program, comprising 21 weeks of company projects and three weeks of intense course delivery, drew rave reviews from the participants. (The three weeks in this series are the same three weeks ILS offers in the US under the banner of the Operational Excellence

Certification Series.)

"This training course has been a turning point in my career," said Kylie Vallins, a planning and improvement coordinator for Bulla Dairy Foods, a major Australian dairy company. "It has given me the skills I need not only to understand but also implement some of the tools/systems at Bulla. . . The trainers in this course have a genuine interest in the students' learning and applying the key concepts, which is very different from other courses I have done."

Greg Dinglem, factory manager for Parker Hannifin, a global manufacturer of motion and control technologies, found the course extremely valuable, even though he already had five years of experience in lean.

"This course has clarified the concepts and given me the tools and thought processes to significantly improve our processes," he said. "I hope that our company has the opportunity to put more people through this course and that it expands to a diploma. "

Several participants said that adopting lean principles will make Australian companies more competitive worldwide.

"As I progressed through the course I really started to understand the need for companies in Australia to take lean on board," said Wayne Cooney, site operations manager for BlueScope, the leading steel company in Australia and New Zealand. "The economy here is being halted because of imports. Australia really needs these types of courses to help reduce costs so our companies can compete with imported goods."

Geoff Barras, a group manufacturing manager for Pacific Brands, a large Australian marketer of clothing, footwear and sportswear, agreed: "The lean operational excellence Grad Cert course has opened my eyes and mind to how we as manufacturers producing locally cannot only survive against low labor imports, but also become meaningful and relevant to our business. . . "

David Trigg, a teacher/trainee coordinator at the Southwest Institute of Technical and Further Education (TAFE), said: "I found the course to be of great benefit in helping us become more efficient at the way we do things in the workplace. It can apply to all industries. The hands-on project and implementation of ideas throughout the course re-affirm this, and you can see the improvement. We have to take this on board to become more sustainable, develop our people, work smarter not harder and try to compete with overseas imports. "

Juanita Pellizzer of Texskill, a not-for-profit provider of accredited vocational education and training programs, said: "The lean concepts learned in this course are the crucial links and methodologies for companies to utilize to streamline their production and support function processes to maintain their sustainability in Australian manufacturing and remain competitive."

Genevieve Kelly of Swinburne University noted that the course has "potential across a spectrum of industries - manufacturing, health care, finance."

The course's holistic, practical approach and emphasis on people also drew positive comments.

"I have found the Grad Cert to be very practical in providing useful tools to improve our production processes, said Jim McVicar, design office supervisor at Frigrite Refrigeration, a leading supplier of air-conditioning and commercial refrigeration systems. "The course has also shown that many of the accepted production tools and methods used in manufacturing are not suitable in many organizations and are often outdated."

Suda Nathan, lean program manager at Huyck.Wangner (Australia) Pty. Ltd., a leading global manufacturer and supplier of paper-clothing and roll covers, said: "I have implemented a number of ideas that I learned

from this course on the shop floor, which not only improved our material usage but also improved the morale of the workforce," said. "In my opinion this is an excellent course, which benefited me and my company immensely."

Shawn Fitzgerald, production manager at Aquatic Leisure Technologies, Australia's largest manufacturer of technically advanced pools and spas, said the course "provided me and my company with the necessary tools, knowledge and vision to transform our operation into a leaner unit."

Len Davis, manager of site maintenance & equipment performance at CRF (Colac Otway), a locally owned lamb-processing company, said the course allowed him to see his plant "with a new set of eyes" and eliminate waste.

"(The course) has also assisted our staff morale through involvement of them in their projects, i.e. ownership and engagement, involvement," Davis said. "We look forward to returning to work to investigate further opportunities to improve our processes."

Thank you for being a subscribed member of this newsletter, and keeping up with the Institute for Lean Systems. We hope to hear from you soon, and appreciate your support over the years.

**Sincerely,**

David Veech  
Executive Director  
Institute for Lean Systems

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