

IS YOUR BUSINESS TOO SMALL TO BE LEAN?

Implementing “Lean” at
Smith & Richardson Inc.



By Bill Bonham
Training Specialist



Some might think that that lean implementation projects are for “the larger company,” not for a small company. At Smith & Richardson Inc., a company with 47 employees, the lean journey began the same way as in any other company—with the vision of a leader.

The lean vision began to take shape at a strategic planning session attended by CEO Phil Cowen and President and COO Rich Hoster.

Beginning in 2006 and continuing today “lean” business practices are becoming a routine as more employees are trained and participate in continuous improvement and waste reduction. The lean policies were designed to support lean manufacturing as well as lean thinking in global strategic alliances.

Linking these policies to the front-line worker, the executive team developed lean

objectives that became understandable and measurable by all in the shop.

- Reduction in overall work in process (raw and finished inventory).
- Activities leading to increased capacity.
- Activities leading to high velocity of order.
- Improved time to market.

As President Rich Hoster states, “Smith & Richardson’s strategy of focusing externally on global partnerships and internally on lean education and the execution of these strategic objectives has helped fuel our growth, and created an environment where employees are empowered to remove waste in their processes. These changes have resulted in reduced set-up times, increased throughput, and a more organized, dynamic growing and changing corporate culture.”

GETTING STARTED

Once the strategies were communicated and understood at all levels of the organization, the initial lean teams were selected and trained. The lean cycle consisted of three different teams meeting for two and one-half hours each for ten weeks. In this ten-week period, each team received training and focused on a designated project selected by upper management. Each team consisted of approximately four members and their responsibility was to look at the processes in their area, collect and analyze data, and suggest and implement cost savings and productivity improvements.

PERFORATOR PRESS [WESTERN DIE RACKS]



BEFORE



AFTER

In the die storage area note the space that is apparent once the clutter has been removed.

5S STRATEGIES IMPLEMENTED

The first critical step of any lean process is that of 5S (Sort – Store – Shine – Standardize – Sustain), which focuses on housekeeping and orderliness. The goal of 5S is to make a discernible and visual difference in the physical facility. Although all three of the teams began with this focus on organization, the press department made the most impressive transformation to a safe, orderly work environment. Visual differences were dramatic and translated into increased efficiency and quality as well as improved morale.

CEO Phil Cowen, said, “It is a challenge for management to create enthusiasm. Our lean program is delivering tangible results, but more importantly, enthusiasm. At our most recent graduation, I watched as a colleague expressed his initial skepticism and how, through his experience with lean, become a believer of the methodology. He not only expounded on the benefits to the process owners, but emphasized how leadership needs to look at the strategic implications of the improvements achieved. As a leader of this business, input of this nature is invaluable.”

LEAN TEAM RESULTS

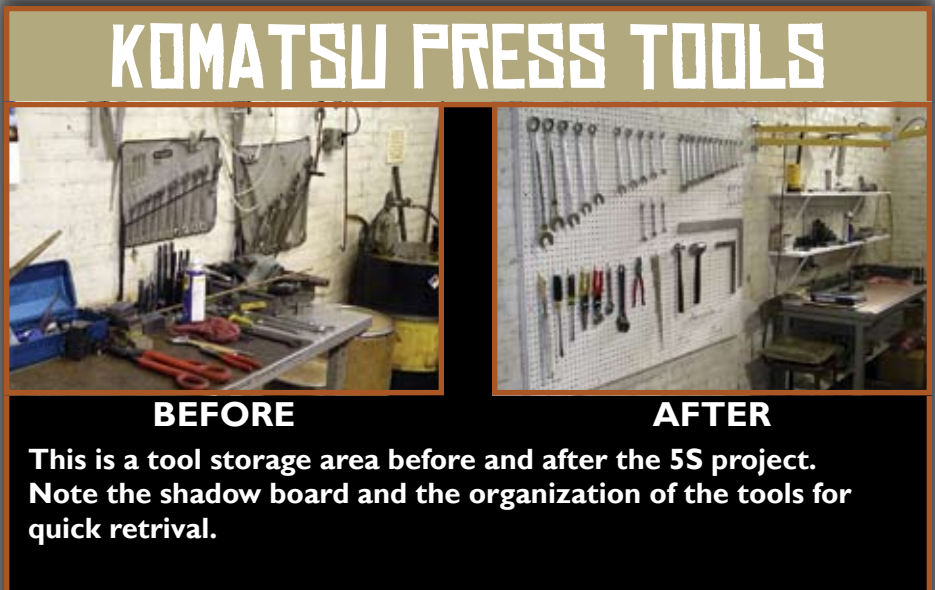
The ten-week project culminated with making a presentation to the entire company. Their 5S savings were noteworthy; savings due to die reorganization alone was more than \$30,000, in addition to another \$10,000 in set-up savings. The team presented an overall annual savings of \$73,952, less the material costs of \$1,178.63 for a net annual savings of \$72,773.37. Not bad for ten weeks of work with a team that had never done a lean project before!

The other two teams showed similar gains and productivity improvements. The chaplet team presented documented savings of over \$50,000, less expenses. The turning team also recognized potential savings, over the ten-week period, of over \$84,000.

SUSTAINING THE PROCESS

Follow-up and accountability to the lean process becomes the next challenge that must be faced at Smith & Richardson. Craig Christiansen, the internal lean champion, addresses this trepidation, “I was very concerned about employees viewing our lean initiative as the next flavor of the month. However, Smith & Richardson addressed that concern with a program that repeated three times a year with each program ending in a presentation day to the entire company. I was extremely impressed as shop employees crafted a great presentation with measured results. The presentation helps create a sense of culture and the measured results have been demonstrating to management that the program is successful. Affecting the bottom line is our end goal.”

No business is too small or too large for lean. Lean is a mindset of continuous improvement, discipline, and order. Lean is, or can be, an internal revolution with a focus on excellence. President and COO Rich Hoster summed it up with these thoughts, “Through our partnership with MRA, Smith & Richardson has begun a cultural revolution to create a lean environment. We continue to see the culture evolve at an ever-increasing rate of change, creating reductions in set-up times, improved throughput, and a more efficient, organized environment.”



BEFORE

AFTER

This is a tool storage area before and after the 5S project. Note the shadow board and the organization of the tools for quick retrieval.