SUCCESSFUL OUTREACH ACHIEVES RESULTS

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An ATAC Client Success Story

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Sustaining continuous improvement is the business philosophy for Decatur, Ala.-based Automatic Screw Machine Products Company (Automatic SMP) and since 2005, the company has partnered with Auburn Technical Assistance Center (ATAC) for its guidance and expertise in leading, implementing and sustaining lean processes.

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Firm's continuous improvement philosophy paying off

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Automatic SMP, a subsidiary of the Illinois-based firm Lawson Products, manufactures precision turned parts and specialty fasteners for the aerospace, defense, automotive, heavy equipment and marine industries. The Cross Drilling area is where small, high-temperature-tolerant hex nuts are precision drilled to allow for the installation of a stainless steel locking wire.

"These specialty nuts are used primarily in aerospace and defense industry products," explains Automatic SMP Director of Manufacturing Jonathan Long. "The lock wire is installed at the end of an assembly process as both a quality signal as well as a security measure."

Lean, a continuous improvement system focused on reducing or eliminating waste and non-value-added activities in a process, promotes the use of visual work instructions, standardization, systematic equipment maintenance and efficient workplace organization.

Working with the firm in the Cross Drilling area over several months, ATAC lean instructors have helped the company in the key areas of value stream process mapping, 5s waste reduction, 5s work area improvement, and Total Productive Maintenance (TPM).

"It has been one of the most successful events that we have done," said ATAC Lean Specialist David Hicks, who has been the primary ATAC continuous improvement facilitator working with Automatic SMP in the partnership, and continues to coach the firm on a regular schedule.

Automatic SMP Director of Manufacturing Jonathan Long, left, and ATAC Lean Specialist David Hicks examine production data in the company's planing room. The production graphics, accountability boards and report briefs are among the visual workplace implementations developed through ATAC's lean assistance. Visual controls are among the key management tools recommended and used by lean enterprises.

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Automatic SMP officials say ATAC assistance has enabled tremendous process and bottom-line improvements.

"Conservatively, I would say that the assistance provided by ATAC has helped us to increase annual sales by more than $143,000," Long said.

Additionally, Long credits ATAC assistance with enabling retained product sales of some $450,000 annually; reduced maintenance and overhead costs of $50,000; and an additional equipment savings when process improvements enabled the company to delay purchase of a new $85,000 machine that it discovered it did not need once manufacturing capacity was increased.

ATAC's assistance also is credited with enabling Automatic SMP to retain two jobs in the Cross Drilling area alone and create four new positions, according to Long.

Randy Osborne, Automatic SMP's lean manufacturing engineer and a more than 30-year employee with the company, speaks to the quality of ATAC's services.

"I have seen a lot of improvement efforts over the years, but this has helped us more than any other I've seen," Osborne said.

Long adds that it is the hands-on involvement provided by ATAC that has made the relationship successful.

"ATAC – particularly David Hicks – has taken the time to get to know and understand our business," Long said. "That knowledge, coupled with an objective eye, makes it easier for us to implement and sustain improvements."

Automatic SMP was founded in 1914 in Chicago, Ill. Annual sales total some $20 million and the company employees 131 in its Decatur, Ala. plant, where it has been since 1948. Its market demographics include about 35 percent aerospace customers; 10 percent defense; 20 percent heavy equipment; 5 percent automotive; and 30 percent various other commercial entities.

Learn more about Automatic SMP by visiting its web site: www.automaticsmp.com.

Impact Summary

Automatic SMP credits ATAC with enabling the following economic and business impacts through its training and project assistance:

Job Retention & Job Creation
- Retained two positions
- Created four positions

Increased Sales
- $143,000 annually

Retained Sales
- $450,000 annually

Maintenance & Overhead Reduction
- $50,000 annually

Key Area Improvements

- Improved equipment uptime from 65 percent to an average of 98 percent.
- Consolidated processes so that product now goes from manufacturing directly to shipping. Before implementation of continuous improvement, parts were transported back and forth across the company's 61,500 square foot facility numerous times for multiple process steps to be accomplished.
- Production volume has increased from about 7,500 parts per shift to 10,000.
- Workplace visual instructions are in place and are credited with resulting in a 30 percent production enhancement.
- Business volume increased without lowering product price, simply by freeing up additional production capacity and maintaining lead times below current market standards.

Auburn Technical Assistance Center was established in 1976 and is an affiliate of the Alabama Technology Network and an Economic Development Administration University Center. As an Outreach arm of the Auburn University College of Business, ATAC provides business and technical assistance, customized training, and consultation in implementing value-added strategies to manufacturers and other businesses, not-for-profit organizations and government agencies in Alabama and the Southeast. SOAR is an ATAC publication. Direct inquiries and questions to Mitch Emmons, Sr. Outreach Assoc., 334.844.3881, emmonmb@auburn.edu.

Auburn Technical Assistance Center
147 Lowder Business Building
Auburn, AL 36849-5350
1-800-446-0386
(334) 844-4659
www.AuburnWorks.org

Alabama Technology Network

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