



An ATAC Client Success Story



AUBURN

TECHNICAL ASSISTANCE CENTER

COLLEGE OF BUSINESS

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Automotive supplier using downturn to improve

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Nationally recognized by the Society of Manufacturing Engineers and the Association for Manufacturing Excellence, Lean Enterprise Certification prepares an organization to implement lean manufacturing improvements. The program involves training in lean continuous improvement tools and techniques, on-the-floor implementation and application assistance, coaching in sustaining management, and it prepares company personnel to take the AME/SME Lean Bronze Knowledge Certification examination.



ATAC Lean Instructors Dave Devore, standing left, and Hank Czarnecki, standing right, facilitate a session in lean manufacturing training for Hoerbiger personnel. The automotive industry supplier has embarked on a Lean Enterprise Certification Program.

ATAC began its work with Hoerbiger in July 2008. To-date, the company credits more than \$240,000 in cost savings and efficiency improvements to the program. Among the benefits: Plant officials say the program has prevented the loss of at least three jobs on two production lines; freed floor capacity to enable an additional production line producing some 200 units per day; has saved the company \$2,000 or more in avoided equipment expenditures; enabled about \$2,000 in new equipment

investments; reduced the need for overtime; and is helping establish better goals and objectives as it pursues additional improvement applications.

“We also have greatly reduced the amount of our work in process, which significantly holds down inventory costs,” says Production Coordinator Marie Buchanan. “And by improving the cross-training of our operators, we have not only improved production efficiency, but we have avoided layoffs.”

ATAC has trained more than 85 percent of Hoerbiger’s 35 production employees through the LECP initiative in Principles of Lean Manufacturing, Value Stream Mapping; 5s; Total Productive Maintenance; Quick Changeover; Pull Systems and Cellular Flow; Sustainment; Problem Solving; Lean Accounting; and other areas. Nine employees to-date have passed the Lean Bronze Knowledge exam. ATAC lean experts also have

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-- Marie Buchanan, Production Coordinator

facilitated two rapid improvement -- kaizen -- events on two production lines.

Those efforts netted a reduction in overall cycle time of more than 53 percent on one line and a reduction in operator distance traveled of nearly 9,000 feet per shift. The second improvement event – focused on start-up of a new product line – established an efficient material flow layout plan, created a standardized pull system, and an implementation plan for continued improvement activities.

The initiative also has shown bottom-line results in product quality, according to Human Resources Manager Kimberly Couch.

“Before embarking on the LECP, quality inspection was a separate step in the manufacturing process,” Couch said. “Moreover, we were under a mandate by one of our customers that included a third-party inspection on a particular part.”

Couch notes that quality inspection is now integrated into the manufacturing process and not a separate and disconnected step.

“The improvements that we’ve made since launching our work with ATAC have enabled us to eliminate that third-party inspection completely,” Couch said.

Hoerbiger officials call the LECP initiative a highly effective undertaking and investment in employees.

“The training is excellent and the instructors are very knowledgeable,” Buchanan said. “They are extremely helpful and make the material and processes easy to understand.”

Couch adds, “It is the participative component that is particularly effective in making the lessons stick. The program has vastly improved our standardization across the board, as well as our production cross training.”

Impact Summary

Hoerbiger Automotive Comfort Systems Inc. credits ATAC with enabling the following economic and business impacts through its training and assistance:

Investments

- \$2,000 in additional plant equipment
- \$113,144 in workforce development

Job Retention & Job Creation

- Retained three positions and prevented need for layoffs in other areas

Cost Savings

- \$129,600 in labor overtime
- \$2,000 in avoided equipment expense
- Significantly reduced WIP (work in process)

Additional capacity

- Start-up of additional production line

By taking advantage of production slowdown to implement improvement, Hoerbiger officials believe the company will be competitively stronger

not only when the economy improves, but perhaps more importantly, now, while manufacturers are coping with global recession.

Right: ATAC Lean Specialists Terri Lawrence, seated left, and Rick Battye, standing third from right, directed the Hoerbiger kaizen team in implementing two rapid improvement events. Among improvements achieved are a 53 percent cycle time reduction; a reduction in operator distance traveled per shift of nearly 9,000 feet; and an improvement-based start-up plan for an additional line.



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.

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