

ATN Success Story

Client:

Jo-Ann Stores, Opelika DC

State:

Alabama

Zip:

36801

NAICS Code:

493110

Client Size:

210 employees

Project/Events:

Skills Upgrade Training

Success Story Title:

ATN assistance helps company cut costs and add new jobs through 5s and standardization

Company Profile:

Jo-Ann Fabric and Craft Stores® is the nation's largest specialty retailer of fabrics and crafts, offering an unmatched, under-one-roof selection of products for quilting, apparel, craft and home décor sewing along with a full array of components, tools and kits for crafters of all ages. Jo-Ann operates more than 790 stores in 49 states, plus its web site, Joann.com®. Its three distribution centers are located in Hudson, Ohio; Visalia, California; and Opelika, Alabama. The Opelika facility is an appx. 700,000 sq. ft., plant, with more than six miles of conveyor lines. Jo-Ann as a corporation has been in business since 1943. It opened its Opelika DC in 2005 and is a major job provider in the area, employing some 210. The Opelika facility serves 177 different Jo-Ann retail stores in a 20-state region.

Situation:

Jo-Ann was seeking ways to reduce costs and increase efficiency associated with its product distribution system and processes. With ATN assistance, it was determined that training and workplace standardization applications would be the quickest and most long-lasting pathway to achieve these needs. The initiative developed a training and application assistance agenda focused on three key areas critical for the company to remain viable: Cost Reduction (energy and scrap); Quality (right first time); and Productivity (efficiency improvement).

Solution:

Jo-Ann established a 15-member, cross-functional team to undergo the training and conduct the various Continuous Improvement projects associated. The team received training in 5s (sort, shine, set in order, standardize, sustain) and applied the training to making process improvements in its Receiving Department area.

Results:

“The training and application activities helped us to pin-point exactly where our deficiencies and improvement needs were,” said Selection Supervisor Jeff Hodges.

Hodges adds that rework – the repeated handling of freight – has been tremendously reduced. Moreover, the training is being applied throughout the facility to make other improvements that are beginning to pay dividends at the bottom line.

The initial 15 program team members quickly expanded to involve some 40-50 employees during the application phase, according to the company. Jo-Ann reports a cost reduction achieved as a result of the engagement of 4 cents per carton.

“This is our most important metric in Receiving,” says Support Services Manager Shanna Harper. “This savings translates to approximately \$5,000 per month.”

Harper adds that the cost savings trend continues to improve. Moreover, these savings – along with other improvement needs that were identified and enhanced through the Continuous Improvement engagement with ATN -- the company has added 12 new jobs at an average starting wage of \$11.50/hr. This includes six detailers across two shifts, two drivers, one operations group lead, one receiving clerk and two assistance supervisors.

Testimonial:

“All of our employees now have received some training in 5s and standardization,” Harper said. “In a facility as large as ours and with as much throughput as we handle, it is highly beneficial to have a third party such as the ATN to come in with the knowledge and skills to help us obtain the improvements that we are seeking. The post-event follow up also has been tremendous. In fact, we are also using the lessons learned and applying them to our regular internal audit process.”