From Breaking Bad to Growing Good with CIe

by Bob Zaruta, President/CEO, NWIRC

In September 2019, the National Institute of Standards Technology (NIST) Manufacturing Extension Partnership (MEP), will be hosting a summit for the national network of MEPs centers. The bi-annual summit provides an excellent platform for the 1200 plus professionals in the 51 MEP Centers (one in each state and Puerto Rico) to share successes, gain new knowledge, and learn of innovative programs and best practices that are helping small and mid-sized manufacturers around the country improve their competitiveness and sustain profitable growth.

Right now, I’m finishing up a submittal to NIST MEP for NWIRC to present at the summit. Over the past two years, NWIRC’s Lean Together™ has had a significant and meaningful impact on the operations, culture, and business health of the participating companies in the program. The collective outcomes are also strengthening and advancing the manufacturing industry in our region. We’re pleased with how the program has evolved and the early successes. We’re proud of the accomplishments and growth realized by our participating manufacturers. We’re excited about what’s next for the program and we want to share it all with our colleagues around the country.

For those who may not be familiar with our program, Lean Together™ is an ongoing working group for operational excellence. It’s a collaborative learning and implementation platform for companies that share a vision and goal of creating a true, lasting culture of continuous improvement. A culture where every employee implements small incremental improvements as part of their everyday job. Through the program, companies are gaining external assistance, visiting other companies and helping one another to implement Paul Akers’ 2 Second Lean™ – a straightforward, more simplistic and realistic approach for smaller manufacturers to embrace than the traditional lean manufacturing pathway.

I feel the stars are aligned with the upcoming summit and the release of our next offerings of Lean Together for companies looking to continue their success with 2 Second Lean or those interested in getting started. Before us is a perfect opportunity to headline our presentation at the summit and to enhance the Lean Together brand for the future. Here it is. We have 2 elements. The first is Lean Together, an opportunity for a company to unite internally to achieve operational and cultural excellence and externally with other regional manufacturers to accelerate exponentially growth and success for the entire group. The second element is 2 Second Lean, a sustainable movement gaining significant presence on the global stage. An approach that is dramatically enhancing organizational chemistry and, in some cases, reversing toxic workplace cultures.

Recently I subscribed to Netflix. Like many subscribers, I have tuned into and have enjoyed watching the popular...
of goods or delivery of services in real-time. Or, the obligation of wages due from time worked. Or, the levels of inventory due to stock increases and decreases. Sadly, this utopian vision is not a reality today. But it would be much timelier and more valuable to the company than what accounting departments publish today. With mature lean process waste reduction and more robust AI ERP systems in the future, maybe someday.

You can start heading towards your accounting utopia, by starting your lean journey with closing the books. Below are some benefits you can readily achieve.

1. Create detailed process maps of the sequence of work that your team can use to make waste reduction adjustments within the accounting processes.
2. Increase or decrease the frequency of review. Daily review for daily transactions. Quarterly review for quarterly transactions. Match the work to the actual flows.
3. Use set-up reduction to move work out of the closing time window.
4. Identify and eliminate causes of correcting entries. This is a view upstream showing the need for process improvement across the organization.
5. Simplify accounting statement terminology so that users can better understand the meaning of the reports making them more useful.
6. Simplify the accounting for inventory and other GAAP-based requirements to meet but not exceed requirements.
7. Listen to the voice of your customer, the actual users of the closing information. Find out what additional information would be helpful and what information is never used.

You will be shocked by the waste discovered. The outcome of your close the books improvement (kaizen) event will result in an immediate reduction of lead time, immediately available new capacity, and a view of the high value gains possible over the longer term.

By starting with close the books, the accounting team will have a new respect for the importance and value of their time and energy as they move beyond transactions and start to be consultants to the overall organization.

Jean Cunningham is the Executive Chair and interim CEO of the Lean Enterprise Institute. Formerly, she was President of Jean Cunningham Consulting and CFO of two manufacturing companies. She is co-author of Real Numbers: Management Accounting in a Lean Organization and The Value Add Accountant, as well as other books.

Side Note: Jean Cunningham will be in the region on April 17 and 18 to offer two classes: Introduction to Lean Accounting and Lean Accounting Deeper Dive. Check out details at www.nwirc.org/events.

Are You Considering Automated Inspection Yet?
by Gerry Schneggenburger, NWIRC

A survey of manufacturers shows a future 34% increase in adoption of automated inspection systems.1

With the price of robots and automation significantly decreasing over the past 10 years, many small- and medium-sized NWIRC clients are either assessing such technologies or installing them. The benefits of doing so are considerable.2

- Cost savings – Automated dimensional measurement and surface inspection systems allow for quicker recognition of quality issues and reduced costs associated with wasted product and time to remediate
- Reduction in errors – Large production runs can gain benefit from reduced human error decreasing the need for problem resolutions efforts
- Increased accuracy – As compared to humans, automated machine vision systems are programmed to perform a task repetitively enabling gains in accuracy, especially over an entire shift
- Overall efficiency – Human inspectors can be used elsewhere within the business, such as planning, improving processes and design, or assisting in higher value areas
- Reputation – Preventing substandard product from being shipped will increase your reputation as a quality supplier
- Happy customers – Meet or even exceed customer specifications and expectations
- Reduced re-shipping costs – Substandard product doesn’t get shipped nor require returns
- Peace of mind – Customers come to rely on your business to deliver products that will not be disrupted by unknown quality issues

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For many, the first step in assessing an automated solution is identifying not only operational speedbumps, but also qualifying them in terms of impact and costs. A good next step is to explore technology solutions, figuring where and how to start, and then identifying solid partner(s) to help, should it be required. Such steps can be daunting when operational issues are recognized. Historically, NWIRC strategic business advisors have helped manufacturers identify opportunities to increase production and productivity through the application of advanced IT technologies. With numerous digital IT specialist partners throughout northwest PA, we can assist in many ways- whether just getting started with discussions and ideas, connecting you with qualified professionals, or helping to create project plans.

Digital Factories 2020: Shaping the future of manufacturing, PriceWaterhouseCoopers

sheltonvision.co.uk

Gerry Schneggenburger has 30 years of executive business management experience with an IT foundation of systems development, programming, database administration, systems network engineering, and IT lean continuous improvement skillsets.

And the Winners Are....

The What’s So Cool About Manufacturing student video contests have wrapped up from around the state. This year, there were 15 regional contests with 250 middle schools and 250 featured manufacturers participating. The goal of the program is for students to explore manufacturing careers in their own backyard, and share their stories with the entire community. Mission accomplished - as thousands participated in online voting for Viewers Choice awards and hundreds attended awards ceremonies, regionally! One of the participating manufacturers, Acute Precision Aerospace, recently tweeted “thank you for hosting this competition and providing youth with this chance to engage in manufacturing.” NWIRC would like to thank all the participating middle schools, manufacturers, sponsors, and community partners for making the program a success. If you would like to see all the participants, and of course the winners, from the Northwest, West Central, North Central or any of the other contests, please visit: www.WhatsSoCool.org.

NWPA SPE Meeting to Feature Robotics and Automation Topic

The NWPA Section of the Society of Plastics Engineers will feature speakers from NWIRC, NEFF, and SAS on the topic of robotics and automation at their next meeting. NWIRC’s Gerry Schneggenburger will highlight a statewide initiative for advanced manufacturing technology and NWIRC’s role with the initiative to help manufacturers in 13-counties of NW PA with advancing technology. NEFF, along with SAS Automation, will be presenting advanced end of arm tooling (EOAT) solutions for injection molders and how some local companies are addressing labor shortages and part quality. The tooling includes modular components, custom designs, insert molding, in-mold labeling and degating EOATs.

The meeting is scheduled for April 18th with the social starting at 5:30pm, dinner at 6:00pm, and presentation starting at 6:30pm. The meeting is open to both members and non-members. For location and other details, and if interested in attending, please email NWPA Section President, Jonathan Meckley, at jam135@psu.edu.

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series Breaking Bad. I immediately recalled from my high school and college chemistry courses the Periodic Table of Elements and that elements are combined to produce compounds. You know, sodium (Na) and chloride (Cl) when combined forms table salt. In the case of our NWIRC program, the compound resulting from our two program elements is Continuous Improvement (CI). CI is an industry recognized abbreviation for Continuous Improvement. CI also represents the element chlorine which can act as a disinfectant and deoxidation agent.

The evidence is in, and its obvious and overwhelming. Companies that have successfully combined the two elements of Lean Together and 2 Second Lean have a new and much healthier culture of CI that is enabling significant growth. How much growth? Perhaps exponential? Keith Tognetti, School of Mathematics and Applied Statistics, University of Wollongong, Australia once wrote about the number…. e is the exponential - the magic number of growth.

From breaking bad to growing good (if not great), workplace cultures that are realizing exponential growth is the headliner. I’ll let you know how we make out with our application to present at the NIST/MEP summit and keep a look out for the new compound CI^e (Lean Together™ + 2 Second Lean™).
YOUR STRATEGIC BUSINESS ADVISORS

If you have questions, or would like to speak with someone from NWIRC about services, please contact your Strategic Business Advisor (SBA):

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UPCOMING EVENTS

Calibration & Using Measurement Equipment  
April 10-11  
Location: Erie  
Proper gauging/measuring techniques guide the continuous improvement process within an organization. This program will help to improve the competency level of those individuals involved in determining if product meets requirements.

IATF 16949 Internal Auditor  
April 16-18  
Location: St Marys  
Training of this automotive standard will provide understanding of the quality management principles in context with both ISO 9001:2015 and the IATF 16949:2016, along with techniques of process-based auditing.

Intro to Lean Accounting  
April 17  
Location: Erie  
For companies who have embarked on applying lean thinking and practices, you may not have thought about the role of management reporting information and the accounting team in supporting this transformation. Learn the 5 sources of financial improvement with lean, and much more, during this class.

Root Cause Analysis  
April 25  
Location: DuBois  
Discover a disciplined approach to problem solving. Once a root cause is identified and remedied, final system outcomes improve – preventing it from occurring again. Learn how to clearly define a problem, develop sampling strategy, collect data, use analytical tools, and strategies to improve process.

For more information or to register for training, visit www.nwirc.org