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For Manufacturers, Lean Ways Pay Off

By Jason Millman

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Tim Potrikus doesn't have look particularly hard to find bad news about the printing industry. In just the past year alone, at least half a dozen Connecticut printing shops shuttered their doors.

But Potrikus, vice president and general manager of Cromwell-based Liturgical Publications, is riding out the wave, realizing along with other manufacturers that getting leaner has braced them from the worst of the recession.

"It stopped us from over-staffing, so we didn't have to lay anyone off," Potrikus said.

Even though getting leaner brought the company back from the brink of disaster in the early 1990s when soaring printing costs almost sank the business, the dedication to lean fizzled after a few major changes at the top of the company. But the company revived those efforts three years ago.

"It was a lack of attention from managers to keep good quality processes," Potrikus said. "We forgot to keep telling people to watch these things."

Lean — essentially cutting down on waste during the production process — has been the premier buzzword in manufacturing for almost 20 years. To those who practice it, lean becomes embedded in the culture of the organization.

Habco Chief Operating Officer Brian Montanari, who joined the company two years ago with the mission to make the factory operations leaner, has helped grow the company from \$6 million in sales to \$11.5 million over that time.

While shipments increased 65 percent last year, expenses as a percent of shipments dropped 23 percent. Montanari attributed the growth to a company-



This one chart of Glastonbury-based Habco, which has boosted production efficiency through lean manufacturing, allows employees to monitor nearly all aspects of the business at any time.

wide dedication to increase production efficiency, with each employee required to submit at least one process improvement each month that eventually gets implemented on the factory floor.

“It’s a different mindset,” Montanari said. “The biggest thing you need to do is change the culture.”

And as the state’s manufacturers shed almost 13,000 jobs during this recession, Habco has managed to stay above water, adding two factory positions last year to bring the number of employees closer to 50. The Glastonbury-based manufacturer of military test stands and equipment plans to add two positions this year to boost its military and international sales.

Yet, almost 20 years after Toyota made lean a manufacturing necessity, those who sing its praises still fight the perception that getting more efficient means cutting the work force.

“It’s about a growth strategy, and the way you grow is eliminating waste and creating new capacity,” said Fred Shamburg, president of Leanovations, a consulting firm that helps manufacturing companies get leaner. “You give people new skills so you can grow the business.”

Shamburg said family businesses, which tend to be more reluctant to shed jobs, are using the recession as an opportunity to retrain employees for lean practices.

“They know when the business comes back that it will be impossible to get talented machinists,” Shamburg said.

But even some of the leanest companies haven’t been able to avoid layoffs. Middletown-based Pegasus Manufacturing, a contract metal manufacturer, laid off about 15 percent of its staff, largely because of turbulence experienced at Pratt & Whitney Canada, one of its largest customers. The United Technologies Corp. division, which deals in mostly business jets, has taken a huge hit after the public backlash over the use of corporate jets.

However, Pegasus president Chris DiPentima said his company, which first instituted lean about three years ago, is positioned favorably to get more business from Pratt Canada once the economy starts humming again because Pegasus has been able to shave production costs, which allows them to pass along the savings.

Like other manufacturers, getting leaner comes at no small cost. DiPentima estimates the company has spent anywhere between \$100,000 and \$150,000 to improve the manufacturing operation over the past few years. During that time,

the company has attempted and abandoned a number of different initiatives that didn't prove to save time or costs.

"It's a very long process," he said. "It's like heading into a dark tunnel. When you persist through, the tunnel gets very bright very quickly."

With orders coming in at a slower pace because of the recession, the companies that have the best long-term vision and financial security are taking the time to institute leaner practices, said Bonnie Del Conte, president of Connstep, a Department of Economic and Community Development-backed nonprofit that helps the state's manufacturers become more efficient.

"Those at the top end are saying we're really going to dive into lean this time," said Del Conte, whose organization reported it helped save 349 jobs in the 2008 fiscal year.

The key is just staying on track. After falling off the wagon in the 1990s, Liturgical Publications won't fall back into old habits, Potrikus said.

"I don't think so," he said. "I'm too anal about it."

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Stonington staff learns to think lean

By LESLIE ROVETTI
Sun Staff Writer

STONINGTON — In an attempt to establish a more efficient Town Hall, First Selectman Edward Haberek Jr. and several administrative employees will be learning how to run a leaner office.

Later this month, the group will attend a workshop on lean office management, which Haberek called "an exciting, innovative initiative" and "one of today's most powerful efficiency tools."

The workshop is offered by Leanovations, a management consulting firm in Plainville, Conn. Owner and President Fred Shamburg said his process is partly based on the Toyota manufacturing principal of "kaizen," which he said is Japanese for "continuous improvement."

The key to continuous improvement, Shamburg

explained, is to examine a process or service, find the areas where time and other resources are being wasted, and eliminate the waste. That frees up the resources to do more.

"It's a streamlining process," he said.

The workshop will not be about saving the town money, he noted. It's about allowing Town Hall to provide more services and opportunities with the money they're already spending.

"It's a growth strategy, not a cut-and-slice strategy," Shamburg said.

Haberek noted the training will help streamline town services and achieve "bottom-line savings."

"This training provides a great opportunity for employees to work collaboratively in analyzing strategies of continuous improvements," he wrote in a statement.

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Manufacturing Leanovations, LLC to Provide a 1-Day Lean Enterprise Workshop'

Fred Shamburg,

President of

Leanovations, a lean consultant company with extensive international experience, is collaborating with Central

Connecticut Chamber of Commerce in association with Tunxis Community College, to conduct a "Lean Enterprise

Overview" workshop on March 5, 2007, to help educate Connecticut businesses on the importance of lean enterprise.

Leanovations

emerged as a new innovative consultant company that goes beyond the traditional lean operational approach.

Focusing on lean and innovations at the same time differentiates Leanovations from other lean consultant groups.

Leanovations proven approach of teaching and coaching using interactive training assist businesses in developing innovative solutions to create profitable growth. Leanovations focuses on teaching businesses to create growth, through

lean operational excellence to eliminate waste and having the ability to re-invent themselves through innovations.

"We are honored to be selected to provide a Lean Enterprise

Workshop for Central Connecticut Chamber of Commerce," states Fred Shamburg, president of Leanovations, "We are a proud member of the Chamber and know the excellent work they provide the Central Connecticut towns and their businesses."

If you are interested in learning more about what Lean can do for your business, the strategies associated with Lean Enterprise and how your company can become more competitive by unleashing the creative potential of your employees, please contact Donna at the Bristol Chamber at 584-4718 or e-mail at info@bristol-chamber.org.

Leanovations, LLC is a registered "Lean Service Provider" by the Connecticut Center for Manufacturing Supply



Fred Schamburg teaching lean in Italy.

Chain Integration (CMSCI) and for Connecticut Aerospace and Defense Initiative (ADD) to provide lean consultant services and training, for Connecticut companies in the aerospace industries. "We

are pleased to have Fred Schamburg from Leanovations conduct this workshop, his global experience coaching and teaching lean is impressive," states Ray Gagnon, VP, Membership & Affiliate Services, "This is

a workshop that many businesses can benefit from."

Due to being out of the country, Fred Schamburg can not make the next Central Connecticut Chamber of Commerce "Business

After Hours" on February 21st at Tunxis Community College; he will make available the January Leanovations Newsletter for anyone who may be interested in learning more about lean.