



R&R Newsletter

Reducing Risk/Removing Waste

ISO Support Group

August 2006 - Issue 1

An ISO 9001:2000
Registered Company

Contact us:

[Send us an Email](#)

Website:

www.isosupport.com

Phone us at:

519-821-2684

Fax us at:

519-824-0494

Newsletter Archives:

[View Past Issues](#)

Visit our [website](#) for more information on our Training Services and CD-Roms!

LEAN JOURNEY...

Strategy 1:

- Isolate the Value Stream

Strategy 2:

- Specifying Value

Strategy 3:

- Mapping the Value Stream

Strategy 4:

- Making the Stream Flow

Strategy 5:

- Letting Customers Pull Value

Strategy 6:

- Seeking Perfection

CAN LEAN HELP?

Want to know if Lean applies to your business?

Read about our Lean Assessment Service

[HERE](#)



VISA & MasterCard
accepted!

Removing Waste:

In this Issue under the heading *Removing Waste* I'll be covering the topic of **Lean Operations – Example: Ariens Company**

The following is a brief overview of a Lean implementation story:

Ariens Company, Brillion, Wisconsin... This company manufactures grass-cutting and snow-removing equipment. In 2005, Ariens rolled its 2 millionth snow blower off the production line, saw a 14.7 percent increase in productivity and posted record sales for the year.

This Brillion-based manufacturer is battling China, outsourcing, location and the vagaries of weather, with intelligence, hard work and foresight. Dan Ariens, the fourth generation of his family to head the company, has embraced cutting-edge Lean manufacturing techniques to allow his company to stay in the United States, in Wisconsin and in rural Brillion. By continually identifying and eliminating waste in its manufacturing process, Ariens' 1,000 employees — nearly half have over 10 years of service — hope to remain competitive in the outdoor power equipment industry. A recently implemented profit-sharing plan puts 12 percent of the company's pretax earnings into a pool that is shared by full-time employees.

Ariens snow-blowers are all steel. Many competing brands have plastic parts. Ariens said steel costs have tripled in 18 months, but, again, they've offset that with Lean Manufacturing improvements. Ariens said China is, and will be for the rest of his life, the biggest challenge. "That's why our focus on Lean Manufacturing is a never-ending process," he said. According to a Grant Thornton study, the average labor rate in the United States is \$19.86 per hour, compared to 53 cents per hour in China. That means, Ariens said, his workers need to be 40 times more productive. "We have to be able to spend resources to take the waste out of those processes," he said. "When I say resources, people underestimate the skills and abilities of people doing the work. They know every day there is a better way." For example: Ariens was manufacturing a spindle (a lawnmower part) for \$31 per unit. The same part could be made in China and shipped to the United States for \$19 per unit. Ariens employees redesigned the manufacturing process into a "one-piece flow cell," reducing the price of the spindle to \$15.72 per unit. "When people talk about productivity, the thought is everybody works harder, but it's the opposite. Everybody works smarter," Ariens said.

Some of the key results from their Lean efforts include:

- Productivity has increased by at least 12% every year for the past 7 yrs;
- Sales for 2005 hit an all time record;
- Product costs have dramatically reduced, in some cases by almost 50%.

To view more information on this example (and others)... you can visit our Newsletter page at our website to view the complete article:

www.isosupport.com/newsletters/newsletters.htm

PS: Don't forget to look at the Q&A section of this Newsletter for some final thoughts on this Lean implementation example.

PUBLICATIONS

Click [HERE](#) to learn more about the manuals & books that we've recently published:

- ISO 14001:2004 Environmental Manuals
- "The 3 Biggest Mistakes People Make with ISO 9001"
- "ISO 14001: Learn what's driving its double digit growth!"

TRAINING:

- Process/Value Stream Mapping
- Lean Essentials/Kaizen
- Business Modeling and Performance Measure'ts
- Root Cause Analysis and Corrective Action
- Mistake Proofing
- Continual Process Improvement
- Strategic/Business Planning
- Malcolm Baldrige Training
- Privacy Program Training

View [agendas](#) at our website

Email Tim.. [HERE](#)

For more information on training provided by ISG on Process Improvement/Lean (Manufacturing/Office), please visit our website at www.isosupport.com. Once there, you will also find information about the following:

"Process Improvement/Lean Assessment: Can Lean help you?"

If you want to find out if Lean applies to your business, visit our website and read about our Lean Assessment Service by going to:

http://www.isosupport.com/services/lean/srvcs_pi_lean.htm

"The 3 Biggest Mistakes People Make with ISO 9001"; ISO

9001:2000 Tips, Tools and Techniques

Click here: <http://www.isosupport.com/books/books.htm>

If you enjoyed reading our previous ISO Newsletters you'll find that this book contains many of the practical approaches and advice that I've discussed in these Newsletters over the past 5 years.

Q: What are the "lessons learned" from this example?

A: The first lesson is that even in rural Wisconsin you can compete head-on with China by being cost competitive and bring products back that were once outsourced to offshore companies. Applying Lean techniques can significantly reduce your cost to supply your products, while simultaneously improving quality and Customer responsiveness. Second, employees in an organization are largely an untapped resource – you have to believe in them and invest in them. Employee driven improvements are the backbone of a Lean initiative – it will trigger the least costly solutions and result in true buy-in that will sustain you in the long run. Third, Lean isn't about working harder but working smarter. Eliminating non-value adding activities reduces the workload and allows employees to see where the value stream is flowing and where it is not. This provides clarity for initiating Kaizen (improvement) events. Fourth, you can never relax and never accept the status quo – complacency gives your competitors time to catch up.

Until next time...

Tim Renaud

Helping Business Professionals Reduce Risk and Remove Waste!

©2006 ISO Support Group Inc. and Tim Renaud, All rights reserved. You are free to use material from the R&R Newsletter: Reducing Risk/Removing Waste, in whole or in part, as long as you include complete attribution, including a live web site link. Please also notify me where the material will appear. The attribution should read: "By Tim Renaud of the ISO Support Group Inc. (ISG). Please visit ISG's web site at www.isosupport.com for additional business performance improvement resources." (Make sure the link is live in an electronic document, an email or in a web site.)



Tim Renaud, P.Eng., B.A.Sc., is a senior trainer and consultant with the ISO Support Group. His business experience covers over twenty-two years with both small and large organizations within various industries. He began consulting in 1992 and achieved ISO 9001 Registration for ISO Support Group in Oct/1998. Specific areas of expertise include training and consulting on installing ISO Management Systems, as well as implementing Process Improvement Strategies, always with a focus on reducing risk and removing waste (becoming Lean). Association memberships include the American Society for Quality (ASQ) and the Professional Engineers Ontario (PEO).