

# Building Sustainability and your bottom line through lean

#### **Paul Murphy**

Director of operations **Electri-Cable Assemblies** 





#### **Electri-Cable Assemblies**

#### **Our Vision:**

To bring passionate people together to work hard, have fun, and inspire each other.

#### Our Values:

- Create and Embrace Change
- Strive to be the Best.
- Be Honest, Open, and Respectful
- Inspire Others
- Be Passionate
- Accept Accountability and be Accountable
- Learn- Everyday
- Have Fun





# Key takeaways

You don't have to be bad to be good.

Clearer understanding of the Lean – Sustainability fit

A practical approach to becoming more sustainable

Becoming an environmentally sustainable organization can be surprisingly good for your bottom line IF done the lean way.



#### Our results – Bottom line

- 5 years straight with 20%+ YOY organic growth
- Superior profitability and growth in profitability
- Lead time averaging 12 days
- Produced & Shipped 3,600 product variations in 32 families in the last 12 months
- Inventory turns at 7.2 and growing 7% each year



#### From a sustainability perspective

- 60 % reduction in energy used per unit produced
- Quarterly Gain sharing program
- Deep, growing commitment to our community
  - \$90k for St. Jude through annual golf tournament
  - 8 charity events completed in 2016
  - 9 employee engagement events
- High level of employee engagement and satisfaction



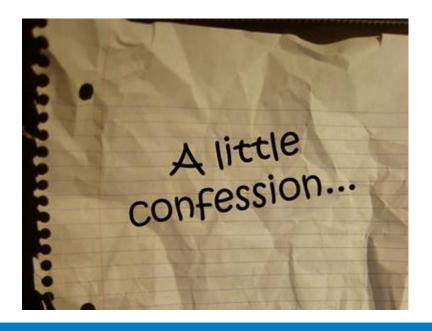
#### Who I am, am not

Not a bleeding heart More worried about global terrorism than global warming

- I'll recycle if it is convenient
- I don't compost
- I drive a gas car
- I use AC in the summer

But....

Prove it and I will commit





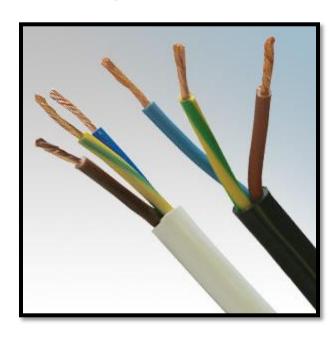


#### A false start

Started with the idea of doing Sustainable things

The program
Sustainability message
Recycled content
Scrap metal recycling

**PVC** free wire



Problem: Sustainability seen as a program



#### Paradigm shift

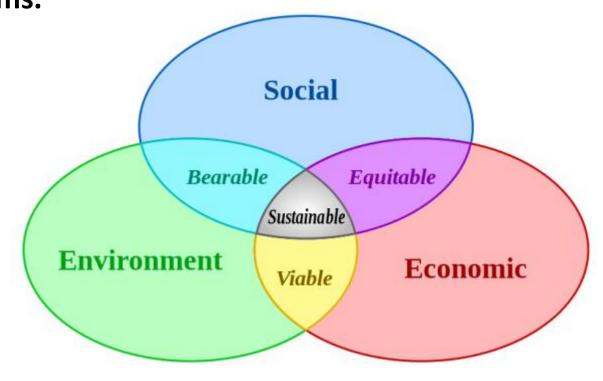
- 80's Quality or productivity not both
- Today Profitability or the Environment
- Consumption v's Preservation





# What is sustainability?

Sustainability is improving the quality of human life while living within the carrying capacity of the Earth's supporting eco-systems.





### What is sustainability

#### It must make financial sense

#### **Drivers**

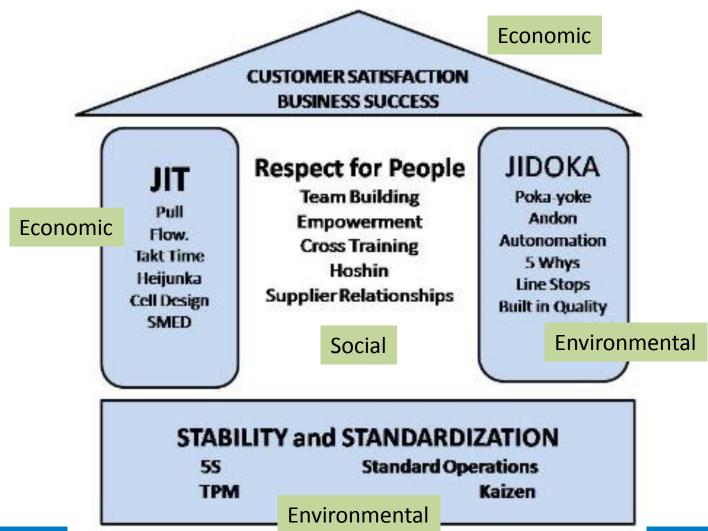
- Government regulation
- Government incentives
- Societal norms
- Profit







#### What is lean?





# Lean and Sustainability

Lean thinking and Environmental sustainability can be in harmony, provided there is

- Trust
- Clear mission, vision, values and purpose
- True employee engagement
- Clear processes for change SABA
- Persistence and Determination

Keep it within the Lean Production System



#### **Three Fundamental Questions**

1. How capable is our organization of <u>surfacing</u> <u>problems</u> and <u>opportunities</u> and <u>resolving</u> them <u>thoroughly</u> and <u>quickly</u> at <u>all</u> levels?

THE CHALLENGE

- 2. How <u>engaged</u> are our associates?
- 3. Are we <u>developing</u> tomorrow's leaders, today?





#### **Our Lean Focus**

- It's about PEOPLE and PROCESS
- STOP TALKING LEAN or SUSTAINABILITY!
- You don't need a title to Lead.
- Dig where you stand!



# Sustainable change

#### SABA

By installing <u>Structures</u> that precipitate specific <u>Activities</u> to occur. These activities foster certain <u>Behaviors</u> which over time motivate the formation of desired <u>Attitudes</u>.



# Sustainable change - example

#### SABA

Hamden, CT recycling Up 30% in 2014. How?







# Dig where you stand

#### No expertise required to start

- Start basic
- Become informed
  - Read up
  - Join a peer group







# Dig where you stand Join a group: Business Sustainability Challenge (BSC)

- 1. Improve competitiveness
- Reduce energy consumption
- 3. Manage resources responsibly
- 4. Encourage renewable energy production

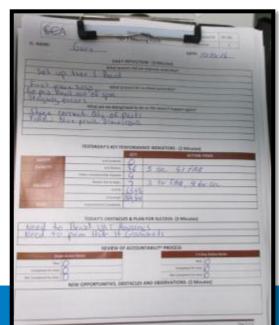




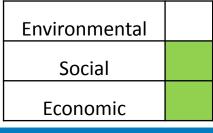


# Standard work practices - Daily rhythm

- Daily Tier meetings
- Leader standard work
- Created a constancy of purpose and relentless engagement







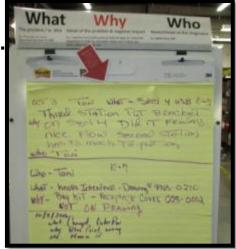




# Focused employee engagement

Easy to use structures uncovering and managing opportunities Trained lean thinkers

Yields..

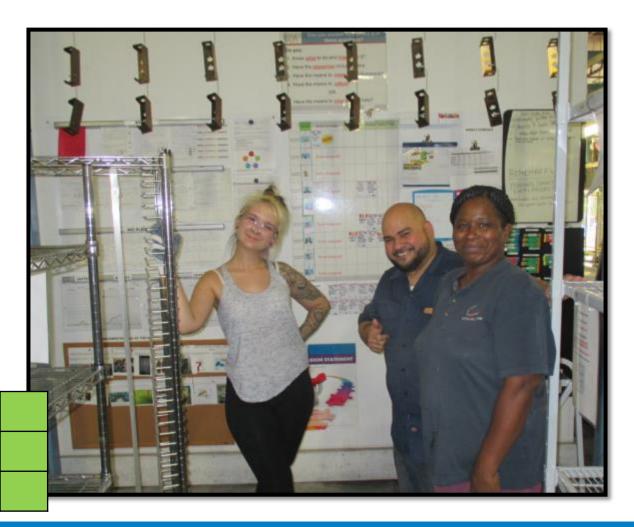








#### Paint teams daily accountability board



**Environmental** 

Social

**Economic** 

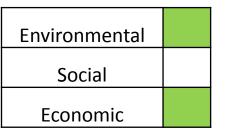


#### Structural

Reduce energy costs - Variable speed compressor Facility Energy management

Result: Air power when needed Smarter Energy management - Free







#### Structural - Equipment standardization

Before: Old, inefficient non standard equipment.

Equipment is of similar type

Result: Easier to train, maintain, optimize, predictable, Energy

efficient and safer





Social

**Economic** 



# In-sourcing

Supply chain lead time reduction Example: Timesaving

Result: Lead time reduced 10 days

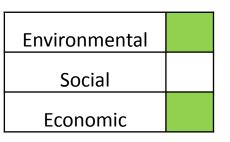
Cut cost of transportation

New skills developed

Part travel cost

**Inventory Reduction** 

**Improved Quality** 







#### **Kennedy Center Team - Partnership**

In-sourcing of kitted items
Team members of different abilities brought on site.

#### Result:

- Lead time reduced 5 days
- New skills developed
- Part travel cost
- Inventory Reduction
- Improved Quality
- New friendships

Environmental	
Social	
Economic	

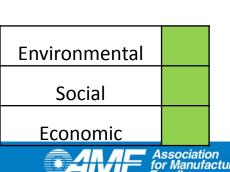






#### **Community involvement**

- 1 Charity event every month
- All organized by our employees
  - March madness for CF
  - Walk a mile in her shoes
  - Pink week
  - Monthly homeless shelter meals
  - St. Jude's golf tournament







#### Pink ducks have migrated to ECA to help raise money!

\$3.00 per duck Every duck is a winner!

#### **Swim Times:**

10/13, 10/14, 10/17 11:00am-12:30pm

#### **Prizes:**

Full Day Pto

½ day Pto

ECA Stadium Seats

Starbucks

ECA T-shirts

\$25 Stop & Shop Gift Cards

Cancer Awareness Merchandise







#### Playmakers: Pink Bake Sale

#### Pink Bake Sale! Friday October 21st

11am-1pm, 2-3 pm

Donations of baked goods appreciated, please bring baked items to the break room Friday morning. Please portion to sell with suggested price.

Thank you for participation!

Il proceeds to The Hewitt Center for Breast Wellness

at Griffin Hospital







#### Spooner House

ECA To be honored for our volunteer service and generosity throughout the years.

October 19<sup>th</sup>













#### **Color Run**



**Bridgeport, CT Seaside Park** 

Registration will be done this week.
Will need information for guests.
Stephanie will provide further information.

**Charity: Bridgeport YMCA** 





#### Elimination of Secondary operations

- Laser cutting v's punch press
- Capacitance welding v's Pem or resistance welding





**Economic** 

#### 5S and teamwork across shifts

Focused Process improvement of existing -Easier,
Optimize machine understanding:
Shine







# **Process improvement**

#### Process improvement

- Designed for manufacturability.
- 2 bends v's 26



- Steal shamelessly



# **SMED and Steal Shamelessly**

- Equipment performance improvement 7 colors a day
- Paint flexibility improvement
- Paint ability

300	
	THE RESERVE







# KANBAN replenishment

Supply Chain
Tactical use of kanban
Reduced Set-up time

Reduced Set-up time, Scrap, Machine idle time,

obsolescence





# **Product Design blitz**

**Existing Product review events** 

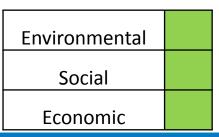
Old approach: Fix errors when found

New: DFM periodic blitz

Result: 25% reduction in energy required to produce a

Villa grommet.

FAB Operation Time, Stamping hits, Bends, Fixture elimination, Elimination of 2 Pems Eliminated Deburr, Cut Paint changeover. Cut Assembly time







# Design for Supply chain flexibility

Old: Silo design in a functional vacuum

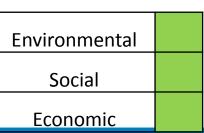
New: Collaborative lean product design team effort.

80% common parts

Standard sizes

Flexible faces

Result: Excellent market response







# **Sustainability Results**

Improvement in Energy consumption in 3 years 100% Parts painted per wash tank charge 30%+ Reduction in defects and scrap in 5 years

#### Monthly Energy Use Index







# **Sustainability Results**

Multiple community service awards
Spooner house honoree 2016
Volunteer organization – Shelton, CT 2015
One employee is now a Spooner house board member \$90k raised for St. Jude's in 3 years
Averaging 10 charity events a year

High level of Employee retention and internal promotion



#### In summary

Lean thinking and Environmental sustainability are in harmony, provided there is

- Trust
- Clear mission, vision, values and purpose
- True employee engagement
- Clear processes for change SABA
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Keep it within the Lean Production System



### In summary

One of the first naturalists

Giovanni di Pietro di Bernardone 1182 – 1226

Preach the Gospel at all times and when necessary use

words





#### **Thank You!**

Your opinion is important to us! Please take a moment to complete the survey using the conference mobile app.

Session: TP/05
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