



Agility Business Solutions, Inc.

Stant Manufacturing

Challenges

- Excessive Inventory levels
- Low inventory turns
- Difficulty competing with newer, more efficient plants

Solutions

- Integrated lean manufacturing with their ERP system
- Implemented Agility Business Solutions' Electronic KanBan solution

Results

- \$2 Million annualized savings
- \$10 Million reduction in inventory within 6 months

Headquartered in Connersville, Indiana, Stant Manufacturing, Inc. is a division of Tompkins Inc. a. has a heritage as storied as the automotive industry itself. Stant Manufacturing was founded in 1898 and was the sole supplier of the swan radiator caps on the Model A Ford. To this day Stant continues to be a major force in the automotive supply industry. In fact, Stant Manufacturing is a world-leading producer of automotive components such as gas caps, oil fill caps, as well as wide variety of fuel systems components.

The Challenge

Like most automotive suppliers, Stant was facing increasing pressure from original equipment manufacturers (OEM's) to reduce costs, reduce delivery lead-times and improve quality. Stant also has an aging, unionized workforce that can be resistant to change. Stant's sprawling Connersville facility was a far less than ideal place to implement lean manufacturing techniques. The building is a sprawling patchwork of additions that were built over a number of years, which contains many nooks and crannies that are ideal places to misplace inventory.

Stant's management recognized that unless they implemented lean manufacturing techniques they would not remain competitive against low-cost, foreign suppliers. Stant's senior management knew that if they did not reduce their inventory carrying costs, and increase their inventory turns, they would cease to be a viable enterprise.

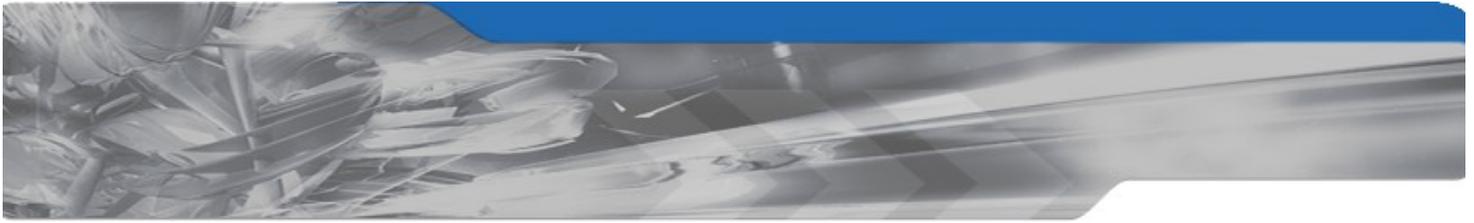


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The Solution

Stant was in the process of implementing a new ERP system in 1998 and recognized that the implementation of a new primary business system was an ideal opportunity to evaluate many of its business practices. They began to radically rethink the way that they did business. Stant began a series of kaizen (continuous improvement) events throughout their business. Stant made changes to nearly every aspect of their business.

Stant moved to visual-based manufacturing signals on the production floor. They implemented a “cell approach” on the shop floor and kanban techniques at each work station. “We knew that we needed to get lean and we knew that kanban is a major pillar of lean,” states Ron Cummins, Materials Manager “we knew that we were carrying too much inventory and kanban was going to be the key to the solution.”

To leverage their ERP investment, they decided to implement Agility Business Solution’s Electronic KanBan. Electronic KanBan was used at the work centers to automate the process of signaling kanban bin replenishment. A simple wand of the bin’s barcode initiates the appropriate activity to occur in a completely automated fashion.

Stant eventually became 100% kanban based, and Electronic KanBan automatically creates all manufacturing orders, purchase orders, repetitive schedules and inventory transfers. Electronic KanBan was also used to notify vendors and key personnel when a kanban event is signaled. Electronic KanBan also automatically calculates ideal bin quantities, helps manage engineering changes and effectivity dating, it even back-flushes labor and materials.



The Results

Stant implemented kanban in gradual steps. “Our first work center took about 6 months to implement. Once it was up and running on kanban, workers at other cells could see and understand how it should work. Implementing it at subsequent cells was much quicker and simpler.” stated Cummins “Today we are 100% kanban and I don’t think that would have been possible without Electronic KanBan. Not everyone was a believer initially: “I was very dubious” comments Brad Barnes, Divisional Controller, “we have a very mature workforce and I wasn’t sure how they would take to using the system. But Electronic KanBan was so simple it was completely foolproof.”

The results of Stant’s efforts are remarkable. In the first 12 to 18 months they reduced their inventory levels by \$10,000,000. When Stant first implemented kanban they replenished their kanban bins every 2 or 3 days, today the bins are replenished every 20 minutes. This has increased their turns from 4.5 turns per year to 26 turns per year. Stant has also reduced their vendor lead times from 20 days down to 1. This has translated to a \$2,000,000 annual savings.

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