

Lean Manufacturing Award Winner Lexington Manufacturing Shares its Commitment to Lean Processes and How this has Transformed the Company

Lexington Manufacturing was named 2007 Minnesota Manufacturer of the Year for mid-sized companies by the Minnesota Manufacturers Alliance. The company was recognized for its success in the implementation of lean manufacturing programs and its willingness to share its lean experience and expertise with other manufacturers.

With plants in both Minneapolis and Brainerd, Minn., Lexington has approximately 200 employees and generates \$45 to \$50 million in annual revenues. The company, which manufactures custom millwork components for residential windows and architectural doors, shares the details regarding its quest to be lean with DWM magazine.

Starting a Revolution

Now in the sixth year of its lean journey, company president Bob Dimke says Lexington started a cultural revolution within its own company.

"The key to lean implementation," says Dimke, "is to get buy-in from every corner of the organization and then to sustain the discipline of continuous improvement until it is firmly rooted in the company culture."



Operator Al Gronau loads a stile cartridge on Lexington Brainerd's new automated door core banding line.



Tom Snell (left) from the Metro North Chamber of Commerce presents the "Lean Award" to Lexington president Bob Dimke.

"It may take several years to introduce, educate the organization, implement lean tools and start to realize the value of your lean initiatives, but it is well-worth the investment in time, people and training," he says.

Plant manager Mike Kucza emphasizes that the key to lean manufacturing is "staying the course."

"It is through the persistent application of lean tools that we continue to eliminate waste and improve the overall health of our company on an ongoing basis," he says.

Tangible Results

At the end of 2004 Lexington had completed the third year of its lean journey. The company grew 32 percent in sales volume with no increases in labor costs over 2003 levels. This is when the lean processes they had put in place over the previous two years began to yield results.

Prior to the implementation of lean practices, the average lead time

Shown is one of Lexington's profile wrapping cells in the Coon Rapids, Minn facility. Jayne Kangas (right) prepares to feed PVC mouldings into the wrapper while wrap operator Mark Shambaugh makes some final adjustments to the set up.



in the Minneapolis operation was three weeks. Now 90 percent of the products coming out of Lexington's Minneapolis operation are turned around in 24 hours.

"As our strategy unfolded, people in all areas of the operation began to analyze new processes and procedures from a lean perspective," says Lexington's technical support manager, Brian Swanson.

"It has been exciting to see Lexington evolve from an organization that was reactive in its approach to one that is now more proactive. The next phase of our evolution will be the full adoption of lean as the cultural norm here at Lexington—where employees in the front office as well as in the plant will adopt continuous improvement as a natural approach to their work lives," he says.

In addition to the positive impacts on productivity and profitability, Kucza has observed other benefits as a result of Lexington's lean direction.

"Employees have become more engaged in the continuous improvement process," he says. "And as a result of the many opportunities for employees to contribute and to improve their work lives, job satisfaction has improved and there is less turnover in the plant."

Another side benefit of lean as discovered by Lexington is that plant safety has improved. As part of its early lean efforts, stacks of work in process on the shop floor were eliminated and the production lines were re-designed for more efficient material flow. As a result, material handling was reduced, forklift traffic was reduced and sightlines within the shop were improved for greater worker safety.

Underscoring the positive impact of lean on the overall performance of the company, Dimke says Lexington will continue to follow a lean strategy as it has produced tangible results.

"We will continue to share our experiences and to export what we have learned to our customers and other manufacturers. Helping customers and vendors to improve their operations through lean programs is a very good way to build good relationships," he says. "It improves the operational effectiveness of the whole supply chain." ■

Lightening the Load

Lexington Brainerd's Lean Loads Program is one way the company helps pass on to customers what it has learned about the benefits of going lean.

The Brainerd operation produces architectural flush door components. It is through the bundling of these components (stiles, rail, core, fire-rated products and veneer), optimization of truckloads and shorter lead times that Lexington has been able to help customers move in a lean direction.

Lean Loads is a shipping and delivery service wrapped around a lean manufacturing program designed to help customers, small or large, eliminate waste in their supply chains. It is a way of helping customers take aim at some of the strategic initiatives that they have targeted for improvement. Some of these initiatives include improving speed-to-market, reducing inventories, improving inventory turns, accelerating cash flow and freeing up manufacturing space.

Several of Lexington's customers are located in tight labor markets, making business expansion somewhat of a challenge. However, by outsourcing the manufacture of their door components to Lexington and utilizing the Lean Loads Program, these companies have been able to free up some of that labor and re-allocate their labor resources to more strategic areas of their operations.

Sales manager Bill DeWitt says the needs of each customer may vary in terms of production volume, product mix, lead-time requirements, inventory strategies and other factors.

"Each company is working on its own unique set of strategic goals—things that they feel will improve their competitiveness in the market," he says. "It is our job to listen and to respond with custom tailored solutions. So whether a customer's needs require three truckloads a week, a truckload of mixed door components every two weeks or some other combination of product mix, lead time and volume, a service package can be developed to address those needs."