

The Bottom Line

Building Stronger Business In Nevada

www.mapnv.com



\$718,000 Grant From MAP Available To Nevada Companies



The U.S. Department of Labor has recently awarded \$718,000 to the Management Assistance Partnership (MAP) to assist Nevada food-based manufacturing companies with lean enterprise initiatives. Under the terms of the grant, MAP will assist individual companies with the implementation of lean techniques and, as such, also train the company's Hispanic employees in the overall culture of lean technology.

Funding assistance is immediately available for applicant companies.

For further information and requirements call Toll-Free 1-800-637-4634, within the 775 or 702 Area Code. Or contact Dave Dwulit, Bob Blank (Northern Nevada) or Dick Kersey (Southern Nevada). MAP is the Industrial Extension Program of the Nevada System of Higher Education, providing business and technical assistance for industry throughout Nevada.

Another **MAP** Success Story

Custom Stamping Celebrates ISO Certification In Six Months!

Custom Stamping, a Carson City, Nevada, producer of precision metal stampings with a work force of just under 30, provides a telling example about the challenges that can come with seeking ISO 9001:2000 certification. Custom Stamping had been asked for many years about their intentions for becoming ISO certified but until recently it was never forced as a requirement for continued business with established customers. However, with changes in the manufacturing environment in the US, loss of manufacturing overseas, the need to break into new markets and the requirements imposed by TS 16949 from the automotive industry it became very clear that Custom Stamping needed to obtain ISO 9000 certification to remain competitive.

“MAP definitely helped Custom Stamping to achieve our goal of ISO certification.”
— Tom Rettura, Quality Manager”

President Woody Wurster, a master tool and die maker, encountered problems outside his realm of expertise and turned to MAP for suggestions. Custom Stamping was referred to the AEM Consulting Group (AEM) – they provided a service that meshed with the needs and preferences of Custom Stamping. Former attempts at ISO certification were unsuccessful because of the perceived increase in documentation and record keeping supposedly imposed by the standard. Due to the limitations brought on by these requirements Custom Stamping never even reached the internal auditing stage.

Continued on page 2.

*The Custom Stamping Management Team
[left to right]
Gary Ryba,
Tom Rettura,
Mike Lewis,
Gus Gustafson,
Woody Wurster,
(Owner)
Nancy Kreider and
Marc Giovannoni.*



For more business success stories, past newsletters and upcoming convention events visit our website at:

www.mapnv.com

Custom Stamping success story continued from cover...

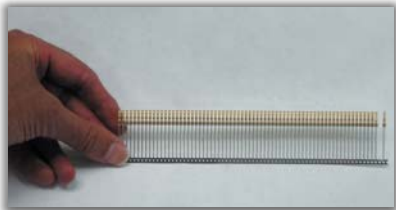
Why was AEM's approach successful for Custom Stamping?

1. Paperwork was vastly reduced. The Quality Manual (24 pages) and 22 procedures (68 pages) were revised to just five procedures (32 pages). *Note: Corrective & Preventive Actions were combined into one procedure.*
2. A key ISO requirement (Management Review) was integrated with CS's regular Production Meeting by including a review of its Business System operations at those meetings.
3. The Internal Audit began early and was used to implement and sustain the system, with audit results a part of the Production Meeting.
4. A formal corrective/preventive action process was merged with ongoing improvement efforts with a simple method added to document the efforts put in place and now used routinely.

The company's existing system was documented, reviewed for needed improvements and then compared to the ISO standard. Custom Stamping discovered that they were already complying with *more than 80 percent* of the requirements. The finished documentation includes the Quality Manual combined with the operating procedures as follows:

- 400 Quality System (7 pages)
- 500 Management Responsibility (8 pages)
- 700 Product Realization (11 pages)
- 760 Control of monitoring and measuring devices (4 pages)
- 822 Internal Audit (4 pages)

Each section has a "Scripted Flowchart Process"™ that begins with a concise policy section followed with a flowchart annotated by text that details the responsibility and necessary actions for the numbered flowchart blocks. "This time the manual made sense," one CS team member said. "The flowchart became a key component of our system and really helped us use what Custom Stamping already had in place before ISO."



Example of socket type contact manufactured at Custom Stamping.

The project began in July 2004 with a registration target of January 2005. A pre-assessment audit in December 2004 provided 12 observations, helping the team to further refine their system and to be well prepared for their mid-January registration audit. The closing meeting after the third day of the registration audit provided a well-earned cause for celebration: no nonconformities had been found and Custom Stamping was recommended for ISO registration.

A process that at times had seemed improbable to Woody Wurster, in a remarkably short time had turned into reality through a combination of commitment, diligence and effort of a solid company team and a common-sense approach to ISO 9001.

"MAP definitely helped Custom Stamping to achieve our goal of ISO certification. They understood our needs and listened to what was important for us as a small manufacturer in northern Nevada. We were quickly connected with AEM Consulting whose ideas and knowledge of the specification were crucial to our swift registration. MAP is very well networked and has provided helpful assistance and information on multiple occasions in the eleven years Custom Stamping has been in Carson City," reports Tom Rettura, Quality Manager.

Take advantage of what so many companies are already tapped into. For information about MAP go to www.mapnv.com.



Tom Rettura, Quality Manager at Custom Stamping.

**From 2002 Through 2004, MAP
Has Generated More Than \$328 Million
in Positive Industrial Economic Impact
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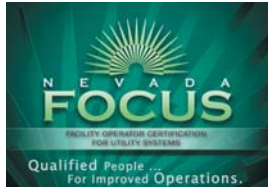
SIX SIGMA

What It Is...

What It Isn't

If you are interested in learning about Six Sigma, email Lou Lamatrice at llamatrice@mapnv.com

NORTHERN NEVADA FOCUS Courses - Energy Efficiency Training and Certification



This statewide training and certification program is designed for building engineers, facility operators, and their crews. The program is a 12-week series of 8-hour workshops held Fridays from 8:00 a.m. - 5:00 p.m. with an hour lunch break. Classes begin July 22 at Truckee Meadows Community College's Dandini Campus in Reno, with interactive video conferencing in Austin, Carson City, Minden, Elko, Ely, Eureka, Fallon, Hawthorne, Lovelock, Panaca, South Lake Tahoe, Tonopah, Wells and Winnemucca. Contact Bob Bricca (775) 722-9824, e-mail: bricca@mapnv.com. Or register online at www.nvfocus.com, and select the Northern Nevada link.

July 22, - October 7: Nevada Focus Entire Workshop

Register for the entire Nevada Focus, Northern Nevada series. This is a 12 week series starting July 22.

July 22: Building Systems Overview—8 hours

- Preventive maintenance, energy efficiency principles and building systems fundamentals including equipment and operations.
- Systems interaction to building performance, including powered auxiliary systems and building commissioning.

July 29 & August 5: Electrical Systems and Power Quality 16 hours

- Fundamentals of electricity and its application in the work place.
- Common distribution problems and how electricity is distributed.
- Public address, fire alarm and low voltage systems
- "Need-to-know" power quality issues at your facility.
- How to prevent most power-related problems.

August 12 & 19: HVAC Systems and Controls -16 hours

- Operation, maintenance and preventive maintenance of equipment and components in commercial buildings
- Central heating, cooling, air and ventilation systems.

August 26: Plumbing and Water - 8 hours

- Chemical water treatment, wet and dry fire suppression, pumping challenges with elevation changes, backflow contamination, loop feeds for high-rise buildings and tempering stations.
- Maximize water cycles and minimizing evaporation in cooling towers.

September 2: Maintenance Management and Practices 8 hours

- Energy efficiency fundamentals and equipment operating reliability.
- Generic algorithms, low voltage, work order systems, maintenance checklists, sourcing and purchasing.

September 9: Code Compliance for Efficiency and Safety 8 hours

- Learning how to use energy and maintenance-related codes.
- How to comply with important health and safety codes
- Overview of energy, environmental, health and safety codes that impact facility operation.

September 16: Energy Efficiency Techniques and Efficient Lighting Fundamentals - 8 hours

- Learn the basics of energy accounting, fuel options evaluation, operation and maintenance strategies and energy management planning techniques.
- Lighting fundamentals, evaluation of lighting levels versus needs, economical and energy-efficient lighting.
- Comprehensive, organization-wide ongoing energy efficiency

September 23: Energy Assessments and Student-Submitted Real-Work Scenarios - 8 hours

- Measure the energy performance of your facilities
- Facility energy use
- Pros and cons of internal versus external assessments,
- Root cause analyses and how to develop an action plan.

September 30 & October 7: Into Action - 16 hours

- Tips on how to compete for capital in this workshop
- Return on investment and payback period calculations
- Develop communication skills

SOUTHERN NEVADA FOCUS Courses - Facility Operator Certification For Utility Systems

This series of courses can lead to facility operator certification. One day courses include continental breakfast (begins at 7:30 a.m.), lunch, refreshments and free parking. Each course begins at 8:00 a.m. and concludes at 5:00 p.m. and is held at the UNLV Stan Fulton International Gaming Institute, 801 E. Flamingo Road, Las Vegas, Nevada. NSHE awards 0.7 CEU and 7 PDH per course with certificate. \$150 per course. Contact Gene Lazaroff (702) 651-4876, e-mail: lazaroff@nvfocus.com. Or register online at www.nvfocus.com, and select the Southern Nevada link.

FOCUS TRACK I

July 19 - HVAC: Part II

- HVAC Systems and Controls – Electric, Electronic and Pneumatic
- Ventilation
- Indoor Air Quality
- Housekeeping and Cleanliness – Equipment, Filters, and Coils

August 16 - Energy Management Systems (EMS)

- Why EMS - What It Can Do for You
- Data Visualization – Optimizing EMS Capabilities
- Energy Management – Optimizing Utility Rate Structures
- Computerized Maintenance Management Systems (CMMS)

September 20 - Electrical Systems – Part I

- Basic Applied Electrical Theory – AC and DC
- Electrical Distribution - Primary and Secondary
- Lighting Fundamentals
- Efficient Lighting and Controls

October 25 - Electrical Systems: Part II

- Electrical Control Circuits
- Motor Theory/Motor Selection: Start/Stop/Ladder Logic
- Electrical Motors - Variable Speed Drives
- Low Voltage Systems – Telecommunications, Security, & Fire Alarms

FOCUS Classes Continued on page 4



Southern NV FOCUS Classes Continued

November 15 - Cx and Operating to Code

- Code Interpretation – UMC, IBC/UBC,

NEC, UPC and ADA

- Understanding Theory Behind Fire and Life Safety Codes
- Code Requirements for Indoor Air Quality - ASHRAE
- Fundamentals of Design – Electrical, Mechanical, and Plumbing Systems

January 17, 2006: Energy Conservation

- Energy Conservation Measures That Work for You
- Identifying Common Energy Waste
- Water Efficiency for Building Operations
- Compressed Air Systems

FOCUS TRACK II

July 21 - Energy Conservation

- Energy Conservation Measures that Work for You
- Identifying Common Energy Waste

- Water Efficiency for Building Operations

- Compressed Air Systems

August 18 - Innovative Management

Principles - Best Practices

- Identify What Motivates People - Behavioral Modification
- Managing for Energy Efficiency - Eliminating Wasteful Practices
- Project Management Systems - Software that Works
- Project Scheduling Fundamentals

September 22 - LEED and "Green Building"

Concepts

- Design Goals and Project Objectives
- Integrating Concepts into Projects
- Alternative Energy Sources
- Passive Energy Conservation Measures - Thermal Envelope Systems

October 27 - Project Economics, ROI, and Cost

Benefits - The How To's

- Cost-Benefit Analysis
- Life Cycle Costing - Energy Assessments

- Value Beyond the Building

- Investments/Return on Investments (ROI)

November 17 - Operations and Maintenance

- Preventive Maintenance - Operations, Education, and Training
- Thinking Beyond Your Specialty - Extending Equipment Life
- Building Support for Your Cause - Increasing Awareness
- Emergency Power Operations and Stand-by Generation

January 19, 2006 - Building Quality Into Your Systems

- Continuous Quality Improvement - Ongoing Evaluations
- Inspections and Standard Practices that Work for You
- Functional Testing - Developing a Deficiency List
- Safety in the Workplace - Your Primary Consideration

**For more information, visit us at:
www.nvfocus.com.**

Leadership Training Northern Nevada **Four-Hour Weekly Sessions**

Thursdays from 8:30 a.m.-12:30 p.m.

- **Sept 15 - Conflict Management:** conflict resolution theory, conflict sources and responses, communication, trust, power and neutrality, conflict management styles, resolution vs. problem solving, mediation.
- **Sept 22 - Change and Stress Management:** stress sources and consequences, how organizations can help employees deal with stress, sources of change and why people resist change, how leaders overcome resistance and implement change.
- **Sept 29 & Oct 6 - Employee Development:** define performance appraisal and associated review process, types of performance evaluations, practice giving and receiving feedback, employee development plan characteristics.
- **Oct 13 - Reward Systems and Motivation:** reward system objectives and attributes, flexibility in reward systems, intrinsic and extrinsic rewards, various motivational theories and how to apply them, leader's role in motivating employees.
- **Oct 20 - Decision Making and Disciplinary Systems:** decision-making tool, common performance problems, how to analyze unsatisfactory performance, practice documenting performance problems, termination watch-outs.
- **Oct 27 - Training:** why train employees, elements of effective training and trainers, on-the-job vs. classroom training, value of effective new employee orientation program.

Leadership Training Southern Nevada

One day training 9:00 a.m. to 5:00 p.m. with continental breakfast, lunch & refreshments. \$299 per person per day e-mail: llamatrice@mapnv.com. Or register online via credit card & get more info at www.mapnv.com.

Self-Management Skills - July 28

Time Management:

- Tools, Tips and Strategies
- Stress Management
- Dealing with Change (Related to Time and Stress Management)

Minimizing Organizational/Personal

Liability Risks - August 25

- Sexual Harassment
- Violence in the Workplace
- Diversity
- EEOC - Protecting Your Organization
- Conflict Resolution

How to Avoid Pre-Employment and Post-Hire

Liability Traps - September 29

- Hiring and Recruiting Employees
- Pre-Employment Screening/Assessments
- Employment Law
- Performance Management

Managing Your Most Difficult Employees

October 27

- Progressive Discipline
- Dealing with Problem Employees and Minimizing Liabilities
- FMLA, ADA and Overlapping Quandrums
- FLSA Terminations

Lean Manufacturing 101 Workshops

Southern Nevada (one day)

MAP Southern Nevada presents the popular one

day Lean 101 workshops from 8:00 a.m. to 4:30 p.m. August 10, October 11, at 2590 Lindell Rd. in Las Vegas. Materials, breakfast, lunch and snacks will be provided.

For information call Bill Milligan at (702) 454-6200, e-mail: bmilligan@mapnv.com. Or register online at www.mapnv.com.

Lean Manufacturing 101 Workshops

Northern Nevada (one day)

MAP Northern Nevada will be conducting the popular one day Lean Manufacturing workshops from 7:45 a.m. to 4:30 p.m. Wednesday, July 20, October 19, at the TMCC Edison Campus, 475 Edison Way in Reno. Materials, refreshments and lunch included. For information contact: Bob Blank, Operations Manager, (775) 856-5315, e-mail: bblank@mapnv.com. Or register online at www.mapnv.com.

Lean Manufacturing Certificate Course

"Fast Track To Learn"

October 3 - 7; 8:00 a.m.-5:00 p.m. in Las Vegas, Nevada. This hands-on course will put your team on the Fast Track to Lean transformation! Shingo Prize recipient, Gary Conner, developed this 40 hour, 1 week Lean Certification course based on his work with over 70 job shop companies. Internationally known for his Lean books and Lean consulting success, Gary will be facilitating this course. Four CEU credits awarded by Community College of Southern Nevada. Register by credit card & get course info online NOW at www.mapnv.com 10% Early Bird discount before September 4.

Lean-Into-It Top Ten List

common mistakes made as job shops transform to the 'lean' approach

by gary conner - lean enterprise training

Self imposed inflexibility. Job shops, make-to-order shops and engineer-to-order operations need to maintain a level of flexibility that OEM's (Original Equipment Manufacturer) like Toyota, seldom have to think about. Being able to turn on a dime, make a product from scratch, prototype or fabricate an item never to be made again, takes a special attitude, a unique set of skills and a nimble and flexible manufacturing system. One-Piece-Flow through hardwired machines is not always as viable an option for Job Shops as it might be within a pure assembly operation where product lines are known and predictable. Does this rule out 'Lean' for Job Shops? No! Many 'Make-to-Order' shops have applied tools from the 'Toyota Production System' Toolbox to dramatically improve their performance, while maintaining flexibility.

Ignore the fundamentals. Hooking machines together before they are capable and reliable is one of the most common mistakes. Departmentalization can hide problems for years. Yet two wrongs do not make a right. Make sure that you are not increasing your chances for downtime and excessive set-up time by welding machines together in a premature effort to achieve one-piece-flow. It is tempting and very romantic to show your customer a cellular manufacturing arrangement, but if you are in a breakdown or set-up mode 47% of the time, as in one of the examples we use in our workshop, you will cripple your ability to meet your customer needs. Focus on the fundamentals.

Change things rather than behavior. Dupont's famous safety program, known as the STOP system, teaches us that 96% of all accidents are behavior related. Having Lean initiatives come 'undone' can similarly be tracked back to behaviors. Many companies fail to apply enough effort to changing the 'standard-work' or 'behavior' when implementing change. Modification of the work process is necessary so that it is 'hard' to go back to the old way of doing things. The new process then has a chance to become a habit. If, on the other hand, you only change 'things,' then the 'things' will get lost or broken or replaced, when no one is looking. In no time, you'll be back to the old condition.

Mile wide – inch deep approach. Some teams take a 'shot-gun' approach to Learning-out their organization. The result? Slow progress. Getting the 'low-hanging-fruit' is fine, especially if there is a financial 'bleeding' going on somewhere in the organization. However, teams

need to realize that running from one end of the shop to the other with Kaizen tools in hand, can actually add to the time necessary to transform a company. It has been said that you cannot Kaizen your way to lean. Kaizen is a tool much like any other tool in the World-Class Manufacturer's toolbox. Of course, the techniques of Kaizen should be used where appropriate, but this is not a 'one-size-fits-all' tool. A better approach would be to drill to the 'bedrock,' preferably within a 'model-line' selected as a major value stream within the organization. Apply as many of the tools as possible in the controlled atmosphere. Then you'll have a meaningful model you can use to train other teams within your organization.

Fail to reduce set-up times. Toyota focuses on SMED (Single Minute Exchange of Dies) and they have taught us by example, never to accept our set-up times as a 'fixed' number. In a job shop, however, it can be very expensive to try to match Toyota's level of success in set-up reduction. SDED (Single Digit Exchange of Die) on the other hand, is not too lofty a goal. Having all machine set-ups average 10 minutes or less, is a goal every Job Shop should set for themselves. To pretend to be a small lot manufacturer, while spending more than 10% of the day in a set-up mode, will 'eat-your-lunch,' financially speaking.

Fail to sustain the gains. Backsliding is an age-old condition that can often apply to many aspects of life. It would be presumptuous of us to hope to offer a cure for one of mankind's oldest maladies in a two-page newsletter. Suffice it to say, we tend to improve only that to which we pay attention and measure. If a management team rewards the wrong behavior (old behavior), that is what you can expect to get.

Focus on machine optimization, rather than 'Flow.' Keeping the material flowing is the most important message that we try to transmit at our workshops. Toyota, Harley Davidson, John Deere, and others are masters of the principles of 'FLOW.' Flow might look different in a Make-to-Order shop because the flow might take the form of 'one-unit-flow,' or 'one-pallet-flow,' or 'one-truckload-flow' instead of a perfectionist idea of 'One-Piece-Flow.' There is nothing wrong with perfection, we just need to recognize that there is no reason to wait for absolute perfection before we get started. Make the problem visible to everybody. Tie a red ribbon to any pallet of material that sets still for more than 1 hour. Make

sure everybody knows that the goal is not to have a machine operate just to keep it busy or making noise. The goal is to do whatever helps keep parts moving through the shop.

Fail to think outside of the box. Job shops are often owned by entrepreneurs. Free thinkers who started their business in a garage or rented warehouse. Once becoming successful, these same free thinkers often become their worst enemy. They are so good at what they do that they ignore the fact that others may have discovered a better approach. Just like you might hire a golf-pro to help with your short game, or a guide to teach you where and how to fly-fish, recognizing the need for coaching does not diminish or call into question a person's ability. On the contrary, it shows intuitiveness and wisdom. Seeking help with the design of 'right-sized' equipment, or with implementing 'Lean' initiatives, can help move the company to the next level of performance.

Fail to train teams. Providing teams with a clear vision of where the company is going is all-important. Of equal import is educating teams in the use of skills they will need to get the job done. No amount of cheerleading will improve a football team's skill set or chances of winning. They need a coach to teach them the fundamentals. They also need a 'play-book' that can help transform their individual efforts into a winning team result, the same can be said for work teams.

Order change, ignore support. To get better every day takes knowledge, diligence, effort, focus and resources. It does not work to simply give a team a book about Lean Manufacturing, and then turn on your heels and walk away, ordering them to implement the process (be it 'Lean Manufacturing' or anything else). The result will be 'short-term-improvement' and 'long-term-frustration.' Company leadership must take an active role in steering the efforts of the team. Direction and discipline to keep working on the 'Model-Line' must come from the top. Otherwise sub-optimization and 'shot-gunning' will occur. The short-term needs of the manufacturing managers and the finance team will overshadow the long-term needs to establish something more than a brittle veneer.

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NEVADA MANUFACTURERS ASSOCIATION

NMA is an association of manufacturers in Nevada joined together to pursue common goals.

Through the leadership of its members, elected officers and staff, the NMA is recognized as the voice of manufacturing in Nevada.

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