Metalworks/Great Openings was one of six 2008 worldwide recipients of The Shingo Prize, dubbed the “Nobel Prize of Manufacturing” by Business Week. By Rob Kirkbride

When county government officials in his northwest Michigan community tout plant expansion as a symbol of economic growth, Scott Lakari is always a bit skeptical.

The vice president of operations at Metalworks/Great Openings is pleased other Ludington, Mich. companies are expanding, but in the back of his head, he is wondering whether the plant could squeeze more production out of the space it has.

When you are a disciple of lean manufacturing, less is certainly more.

And at Metalworks/Great Openings, an OEM and direct to dealer manufacturer of metal casegoods, the message of reducing waste and improving efficiency in every aspect of the operation forms the core of its business.

So it is no surprise Metalworks/Great Openings was one of six 2008 worldwide recipients of The Shingo Prize, dubbed the “Nobel Prize of Manufacturing” by Business Week. The prize is given to companies who best implement the lean initiatives founded by Japanese industrial engineer Shigeo Shingo. Shingo helped create and write about many aspects of the renowned Toyota Production System.

Metalworks/Great Openings is not the first in the office furniture industry to win The Shingo Prize. Steelcase, The HON Co. and AIS all have won the prize for their most efficient plants.

But Metalworks/Great Openings is, by far, the smallest company in the industry to win the prestigious award.

“Ludington, Michigan isn’t exactly tied to mainstream research areas when it comes to lean,” said President and CEO Tom Paine. “This is a small, family-owned company in a small town.”

But when it comes to lean, Metalworks/Great Openings proves size doesn’t matter.

A walk around the company’s main 120,000 square foot plant that houses 155 employees working two shifts shows how engraved lean is in every process.

Charts track everything from production goals to the flow of the plant. Managers meet several times daily to pinpoint problems and get them fixed.

Lean isn’t limited to the factory. Every department in the company has been organized to lean standards.

“All areas of the business (are involved), from the accounting office to how we file our office supplies,” Paine said.

He is not exaggerating. The company’s office supplies are organized on clearly marked shelves and segmented bins in file cabinets. An outside office supply company tracks office supply use, adding things like reams of paper and highlighters only when they dip below a set number.

But it is in the plant where the lean systems are most obvious.

Lakari talks about shrinking the footprint of the plants he runs with passion.

“There’s an open space here that used to be filled with metal breaks,” he said, eying an open area of the plant surrounded by yellow tape to keep factory sprawl from filling the void. “I know that when we reorganize the flow, we can come up with even more space.”

For any lean operation to be successful, the workers on the floor need to buy into the journey. At Metalworks/Great Openings, it appears they have done just that. A chart tracking production goals showed a shortfall. A note on the chart explained the reason for the delay. Managers met later that day to iron out the process.

The workers also know that by cutting cost and improving efficiency, they are protecting their own jobs. The com-
pany started its lean initiative program in 2003 as a way to compete with foreign manufacturers, fight rising material costs and deal with relentless pricing pressure in the market.

After years of changing the very fundamental ways the company works, Lakari felt that if they could be in a position to compete for The Shingo Prize, they would be placing Metalworks in a position to succeed for years to come.

"About five years ago, we recognized that to stay competitive we needed to have systems that allowed us to continuously improve," he said. "Our employees rallied around this effort, and to now be recognized as one of the leaders in North American manufacturing is very rewarding for all of us."

The transition also helped the company emphasize that it was responsible for the problems it created, Lakari said, which makes it quicker to solve them. Organization also improved with the help of the workers. The company's SWAT Team came up with the standard work flow.

"It wasn't supervisors and engineers," Lakari said. "And when they saw they were part of the process, the ideas started coming in. They know that their ideas are not going to get buried."

Metalworks/Great Openings went from making batches of filing cabinets to working on a daily schedule, filling orders as they come in.

The company also empowered its own suppliers. The company's steel supplier visits the plant three times a day and replenishes inventory as needed.

The move to lean is helping the company reap rewards as well. Sales are expected to be up about 18 percent for the company's fiscal year, which ends June 30. The privately held company does not release sales figures.

Metalworks/Great Openings knows its strengths and limitations. The product quality and lead times "are exceptional," King said. "Lead times are just five days -- and quicker than that for some OEMs. "When our customer has urgent needs, we are able to scramble and get it done," she said.

The company also specializes in meeting any color needs -- a strength that the architecture and design community greatly appreciates. Metalworks can match literally any color a customer wants.

Metalworks also has 12 drawer front styles and myriad lock and drawer pull options. Product specials are a strength.

"We blend very well with other systems," said Randy Deboise, marketing and communications manager.

The formula is working for Metalworks/Great Openings. And the former metal job shop is proving it can compete with cheap Asian imports by becoming more efficient, faster and offering more options.

"We're in the heart of Michigan, but we're not importing and we're not shipping work down south," King said. "There is some good manufacturing news coming out of Michigan."

March 31, 2008 The Monday Morning Quarterback