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Editor's Message

You Say Slowdown, I Say Opportunity

by Barry Dixon

The glass is half full,
not half empty!

The editorial focus for this issue looks at two topics—manufacturing and quality control—that are especially interesting in relation to a slowdown in the market like we're currently facing. I believe that concentrating on these two areas when demand slows down makes perfect sense because there's extra time and manpower to allocate toward improvement. There are key areas in which component manufacturers can improve when we find ourselves a little less busy than usual. To start, look into improving manufacturing processes. Times like this are also a good opportunity to improve your company's research and development (R&D), which is essential to innovating the industry. Last but not least, find new ways to maximize your workforce that should also benefit your bottom line.

To improve your manufacturing processes, time and motion studies can help determine where bottlenecks occur at the plant. Most companies have collected reams of data over the years. The question is, has that data truly been examined enough to help evaluate all processes that can be assessed? Now is the time to study what we have gathered and what we know. It's time to turn a fresh eye onto our processes and see where productivity can be increased.

A slowdown in the market isn't something we like to hear about, but it can be an opportunity to improve your business and make it stronger than ever. A slowdown in demand doesn't have to mean a slowdown at your plant.

at a glance

- ❑ There are opportunities for improvement when we find ourselves a little less busy than usual.
- ❑ When using time and motion studies to improve efficiency, the key is to apply the data to all processes.
- ❑ A great book on the topic of lean manufacturing is called *The Toyota Way* by Jeffrey Liker.
- ❑ One way to capitalize on R&D is to challenge your management team and production staff to think outside the box.

To better understand processes at True House, we track a job from the order input all the way through to completion of manufacturing. Then we look at the job in reverse order from finish to start, analyzing the snags that occurred from the last step to the very first. You may be amazed at what you find—our company was! This procedure helped us to significantly reduce labor costs, finished goods inventory and raw material inventory, while increasing saw capacity and customer satisfaction. Our driving force to conduct these studies was a goal to have less finished goods in our yard and the desire to change the company mindset from a "push system" to a "pull system," better known as "lean manufacturing." I recommend that your entire team read a great resource on this topic called *The Toyota Way* by Jeffrey Liker.

Another area of interest during a slowdown is R&D. Major research and development efforts may only seem available to giant corporations and the federal government, but you don't need big dollars to get a big payback from R&D. Even small manufacturers can implement and benefit from these processes. For instance, component manufacturers can develop new techniques or processes around existing equipment, based on data gathered from time and motion studies. One way to capitalize on R&D is to challenge your management team and production staff to think more creatively. There is always the potential to find no-cost solutions to pervasive problems. Never underestimate the ingenuity of your staff and their ability to turn their ideas into added profitability.

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Editor's Message

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Just recently, my production staff asked me to look into investing in moving some equipment and buying additional in-feed and out-feed rollers for one of our linear saws. We felt that moving the saw would eliminate the need for extra manpower while increasing productivity. Our staff simulated the process by taping out a ghost system and creating diagrams. They devised a solution before any additional costs were incurred. Since our theories proved to be correct, we were then ready to invest in the new process. This is just one example of internal R&D for manufacturers that can be performed during slow periods.

To help retain your workforce when production slows down, utilize your existing labor to refurbish or repair equipment instead of outsourcing that labor. This serves a dual purpose. First, it keeps your employees busy in the plant. Second, when doing work that extends the life of your equipment, your labor force becomes a capital expense on your balance sheet rather than a direct labor expense on your income statement. (See your accountant for details.)

Performing general maintenance on all of your equipment is another good way to utilize your employees during slower times at the plant. Although you can't take advantage of moving your labor to a capital expense on the balance sheet, your machinery will be in top condition for the return of the market and you'll have a more knowledgeable staff with a better working understanding of the plant's machinery and equipment.

A slowdown is also an ideal time to invest time and energy in improving and expanding all your company has to offer. Implementing an in-plant quality control (QC) program, like **In-Plant WTCA QC**, provides a measurement to ensure that you're consistently delivering a quality product. This is yet another set of data that will add to your management benchmarking process and help you manage your operations much better when things get busy again. Committing to a program also speaks volumes to your customers (think marketing) about your company's dedication to quality. Another option to consider when customer demand is low is to offer additional product lines. Along with helping to cover overhead in the long-term, adding wall panels, steel trusses, engineered products or field installed services may help you tap new markets and make your company the one-stop solution for your customers.

A slowdown in the market isn't something we like to hear about, but it can be an opportunity to improve your business and make it stronger than ever. A slowdown in demand doesn't have to mean a slowdown at your plant. **SBC**

SBC Magazine encourages the participation of its readers in developing content for future issues. Do you have an article idea for a future issue or a topic that you would like to see covered? Email your thoughts and ideas to editor@sbcmag.info.

STRUCTURAL BUILDING COMPONENTS™

THE FUTURE OF FRAMING

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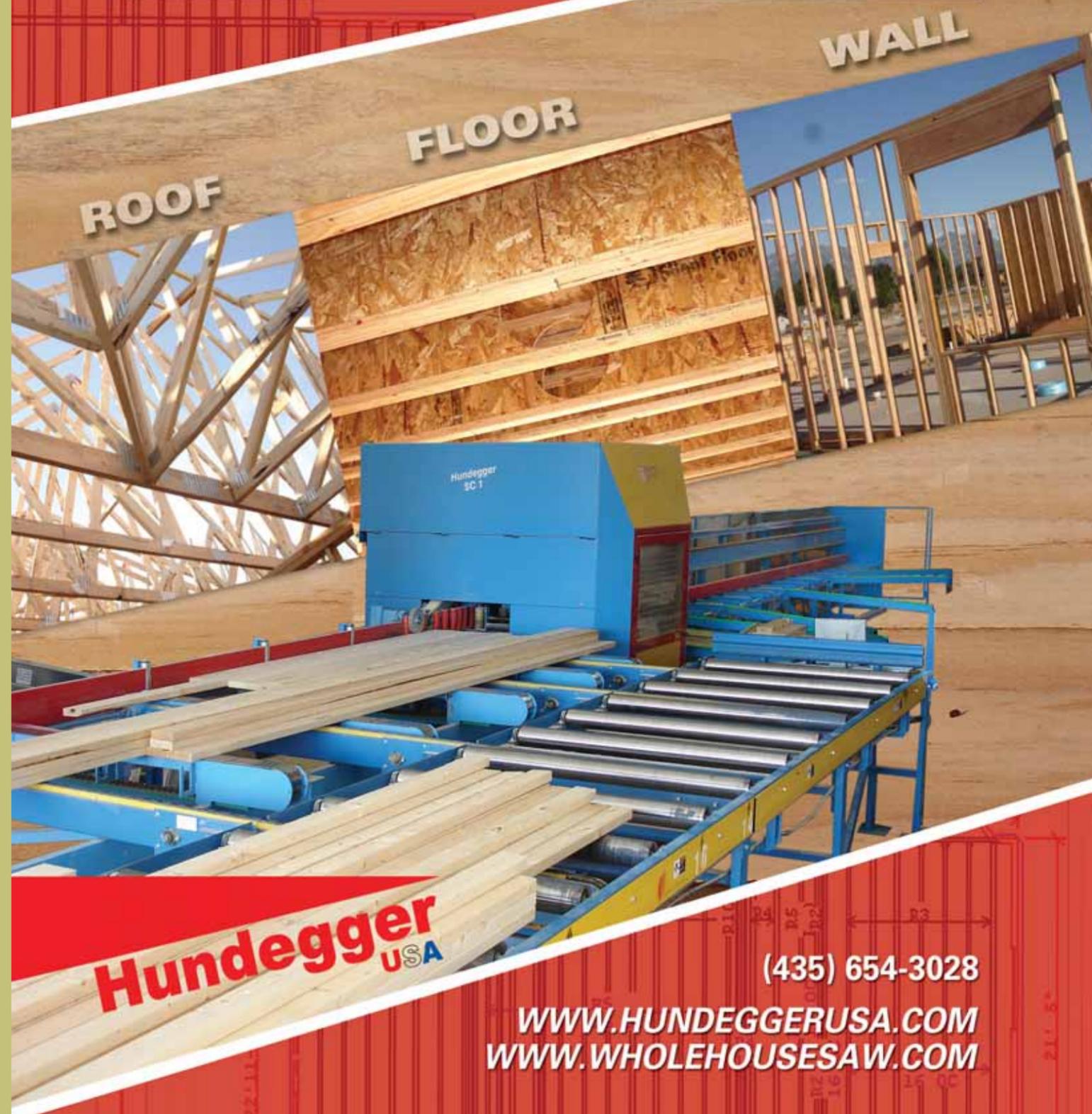
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The mission of *Structural Building Components Magazine (SBC)* is to increase the knowledge of and to promote the common interests of those engaged in manufacturing and distributing structural building components. Further, *SBC* strives to ensure growth, continuity and increased professionalism in our industry, and to be the information conduit by staying abreast of leading-edge issues. *SBC's* editorial focus is geared toward the entire structural building component industry, which includes the membership of WTCA – Representing the Structural Building Components Industry. The opinions expressed in *SBC* are those of the authors and those quoted, and are not necessarily the opinions of Truss Publications or WTCA.

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