



Precision Cut Industries Improves On-time Delivery

Real Results:

- Improved on-time delivery by 5%
- Decreased inventory by 19%

Company Profile: Precision Cut Industries, Inc. (PCI), located in Hanover, PA, is a full service contract manufacturer in the metal industry, with a core competency in laser cutting. They provide technical excellence through their extensive experience in the industry, with a staff dedicated to understanding their client specific needs and delivering a high quality product on time.

Situation: In the Spring of 2008, PCI underwent LEAN Certification training. As a result of the LEAN training, they studied Pull/Kanban systems. They quickly identified an opportunity to implement a visual system to aid in their inventory levels, smooth flow, and improve lead times.

Desired Results and Deliverables: Precision Cut Industries decided to apply a company-wide implementation of LEAN principles to ensure sustained growth through improved efficiencies and the elimination of “waste”. PCI utilized external consultants through MANTEC to develop a visual pull system, with a focus on smoothing flow throughout the factory. Topics included leveling loads to deal with variable customer demand, as well as sizing and location of internal supermarkets and types of pull signals. The second step was to conduct a review of the current planning and scheduling systems to assess finished goods policies, flow issues that drive inventory levels, and current value stream. The final step was to execute the model in the PCI facilities and link to its new business system – Global Shop Solutions. The visual pull system controls the release and flow of work in the shop.

Results: As a result of this effort, PCI has reduced inventory and lead times, while increasing on-time delivery to customers. In addition, the visual pull system has enabled PCI to manage ever changing customer needs in a challenging economy. Visual scheduling boards in the Programming, Production and Shipping/Receiving areas have made managing work flow a more transparent process. In addition, min/max visual levels on the shelves have triggered the system to produce components as needed. This method did not exist prior to the Pull/Kanban system. The implementation to date has assisted in improving on-time delivery by 5 percentage points and decreasing total inventory by 19%. As PCI continues to implement LEAN practices throughout the organization, they are confident they will continue to see further improved efficiencies. As an example, PCI will be able to better identify and address issues that still reduce flow by completing the in-process implementation of day-by-hour control boards at each work-center.

“When Precision Cut Industries began LEAN certification, we knew we were beginning a journey to improve efficiencies. We are utilizing industry experts through MANTEC to help us develop the Pull/Kanban system, giving us visual cues to manage our inventory levels. We continue to work on our LEAN initiatives to achieve greater success.” ~Brian Greenplate, President- Precision Cut Industries

To set up your LEAN Certification contact your Professional Business Advisor directly or MANTEC at 717-843-5054

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