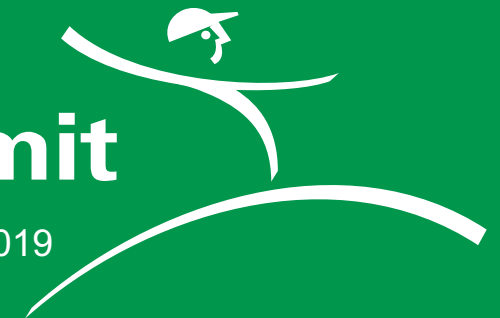


# Lean Talks: Steve Brenneman

**Lean Summit**

Houston | March 27 – 28, 2019

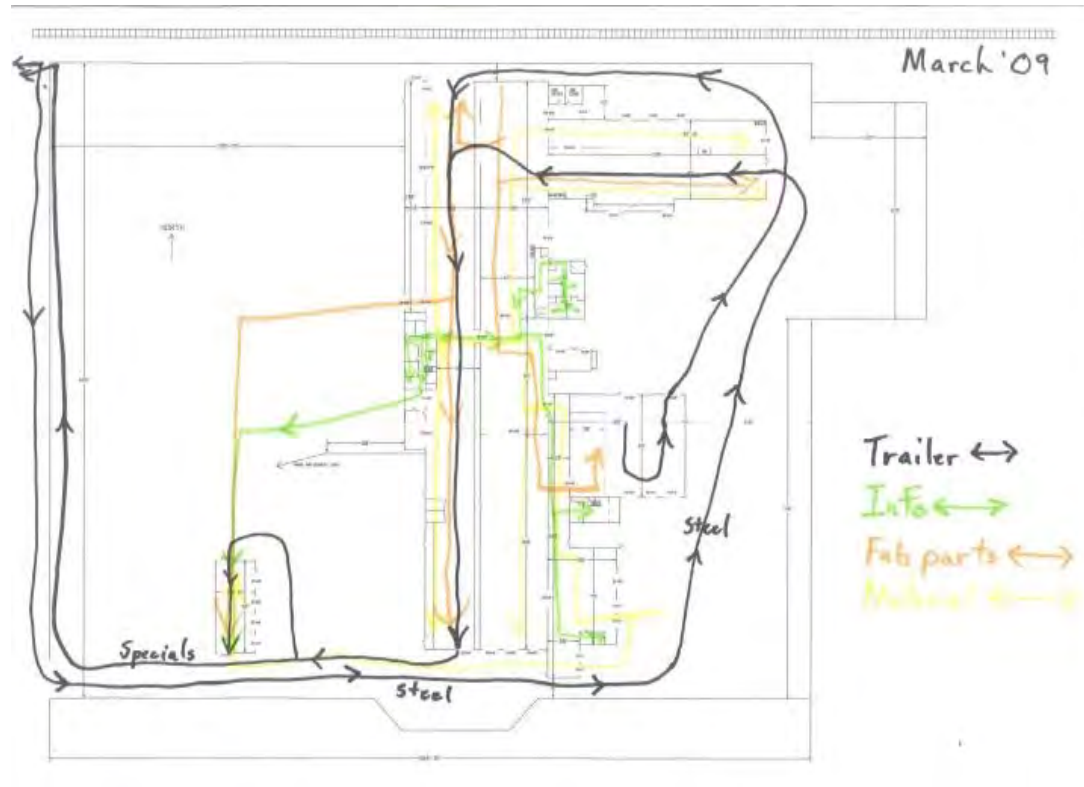


# Why Lean?

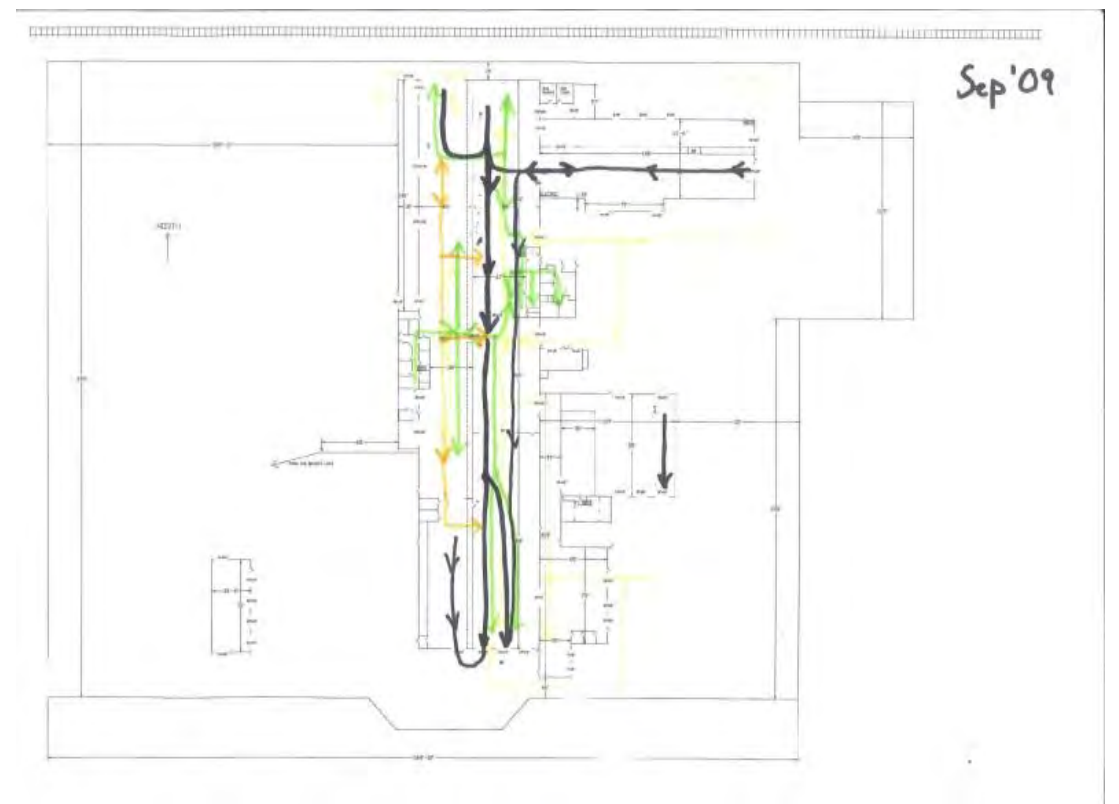
NOW THAT WE ARE LEAN-WHAT WOULD I TELL MYSELF 10 YEARS AGO?

# FLOW!

## Before



## After



# Clean up the mess-3 years

**BEFORE:**



**AFTER:**



# MAINTAINANCE DEPARTMENT:

**BEFORE:**



**AFTER:**



# Supermarket/Material Supply System

**BEFORE: LINE WORKERS MANAGED  
THEIR OWN MATERIALS**



**AFTER: SUPERMARKET TEAM WITH  
WATER SPIDER ROUTS**





VENDOR MANAGED MATERIALS:

# VALUE STREAM MANAGEMENT: CO-LOCATION OF ALL FUNCTIONS FROM QUOTE TO CASH





# \$100,000 CUSTOM TRAILER: BEFORE AND AFTER

**QUOTE TO READY TO BUILD-60 DAYS**  
**TOTAL PEOPLE HOURS-1,350 HOURS**  
**WARRANTY AFTER SALE-\$4,000**

**QUOTE TO READY TO BUILD-10 DAYS**  
**TOTAL PEOPLE HOURS-900 HOURS**  
**WARRANTY AFTER SALE-\$1,200**



# LEAN ACCOUNTING: FROM 15 DAY CLOSE TO 1 DAY CLOSE TO NO CLOSE

	A	B	C	CG	CH	CI	CJ	CK	CL	CM	CN	CO	CP	CQ	CR	CS
1			<b>Company</b>													
3			Week #	30	31	32	33	34	35	36	37	38	39	40	41	42
4			End Date	07/26/15	08/02/15	08/09/15	08/16/15	08/23/15	08/30/15	09/06/15	09/13/15	09/20/15	09/27/15	10/04/15	10/11/15	10/18/15
6	<b>Sales (Shipments)</b>			\$ 673,713	\$ 697,502	\$ 679,583	\$ 795,449	\$ 697,301	\$ 546,535	\$ 1,064,355	\$ 751,531	\$ 651,241	\$ 822,289	\$ 616,304	\$ 813,792	\$ -
7	Material Costs			\$ 363,299	\$ 367,032	\$ 361,111	\$ 391,625	\$ 368,249	\$ 289,951	\$ 511,098	\$ 394,251	\$ 339,779	\$ 456,326	\$ 346,620	\$ 428,159	\$ -
9	Line Labor			\$ 80,462	\$ 75,638	\$ 82,443	\$ 77,281	\$ 79,529	\$ 79,141	\$ 79,455	\$ 64,311	\$ 76,561	\$ 77,025	\$ 79,035	\$ 79,048	\$ -
10	Overtime			\$ 1,797	\$ 787	\$ 433	\$ 1,113	\$ 2,151	\$ (464)	\$ 678	\$ -	\$ 870	\$ 1,283	\$ 732	\$ 1,118	\$ -
11	Downtime			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	VS Support			\$ 47,782	\$ 47,214	\$ 47,937	\$ 47,945	\$ 47,029	\$ 46,915	\$ 47,482	\$ 46,092	\$ 47,309	\$ 47,354	\$ 47,454	\$ 47,706	\$ -
13	Other Payroll			\$ 14,983	\$ 59,209	\$ 15,043	\$ 14,902	\$ 14,852	\$ 59,558	\$ 14,954	\$ 14,859	\$ 14,325	\$ 105,770	\$ 64,516	\$ 19,307	\$ -
14	Supplies & tools			\$ -	\$ -	\$ 1,090	\$ -	\$ -	\$ 762	\$ 373	\$ 164	\$ -	\$ -	\$ 558	12:00 AM	\$ -
15	Rent			\$ -	\$ 4,600	\$ -	\$ -	\$ -	\$ -	\$ 6,620	\$ -	\$ -	\$ -	\$ 6,600	\$ -	\$ -
16	Warranty			\$ 18,190	\$ 6,742	\$ 8,308	\$ 7,623	\$ 12,634	\$ 32,814	\$ 29,018	\$ 4,888	\$ 23,638	\$ 8,500	\$ 11,359	\$ 5,087	\$ -
17			<b>Direct Margin</b>	\$ 147,200	\$ 136,280	\$ 163,219	\$ 254,960	\$ 172,858	\$ 37,858	\$ 374,678	\$ 226,966	\$ 148,759	\$ 126,031	\$ 59,430	\$ 233,368	\$ -
18			<b>Direct Margin %</b>	22%	20%	24%	32%	25%	7%	35%	30%	23%	15%	10%	29%	
19	Payroll			\$ 55,255	\$ 72,964	\$ 56,023	\$ 56,249	\$ 55,431	\$ 72,355	\$ 52,696	\$ 47,628	\$ 50,709	\$ 60,771	\$ 65,896	\$ 50,967	\$ -
20	Supplies & tools			\$ 14,268	\$ 16,003	\$ 15,044	\$ 20,098	\$ 12,793	\$ 18,321	\$ 15,045	\$ 12,935	\$ 11,358	\$ 6,309	\$ 15,782	\$ 12,783	\$ -
21	Warranty			\$ 15,605	\$ 21,939	\$ 16,769	\$ 16,127	\$ 17,210	\$ 21,134	\$ 14,439	\$ 13,649	\$ 16,672	\$ (82,437)	\$ 20,287	\$ 10,553	\$ -
22	Depreciation			\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 9,848	\$ 5,000	\$ 5,000	\$ -
23	Insurance			\$ 3,427	\$ 3,427	\$ 3,427	\$ 3,427	\$ 3,427	\$ 3,427	\$ 3,427	\$ 3,427	\$ 3,427	\$ 3,886	\$ 3,596	\$ 3,596	\$ -
24	Other			\$ 1,187	\$ 2,410	\$ 873	\$ 1,958	\$ 1,891	\$ 1,029	\$ 1,156	\$ 910	\$ 1,235	\$ 1,283	\$ 957	\$ 1,343	\$ -
25	Repairs & Maint			\$ 1,228	\$ 911	\$ 3,416	\$ 3,661	\$ 1,714	\$ 2,670	\$ 3,582	\$ 1,907	\$ 2,496	\$ 5,847	\$ 2,591	\$ 4,183	\$ -
26	Utilities			\$ 161	\$ 5,567	\$ 2,181	\$ -	\$ 1,922	\$ 5,677	\$ 5,677	\$ 1,547	\$ 936	\$ 843	\$ 78	\$ 1,887	\$ -
27	Inventory change			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	Sales Expenses			\$ 24,128	\$ 30,190	\$ 37,985	\$ 25,122	\$ 31,768	\$ 23,603	\$ 50,554	\$ 17,093	\$ 47,752	\$ 35,760	\$ 35,217	\$ 50,167	\$ -
29	General & Admin			\$ 39,168	\$ 43,643	\$ 71,645	\$ 46,699	\$ 63,180	\$ 54,536	\$ 39,180	\$ 36,374	\$ 60,941	\$ 49,845	\$ 50,429	\$ 73,079	\$ -
30	Other Income			\$ 161	\$ 300	\$ 5,908	\$ 324	\$ 324	\$ (4,831)	\$ 7,429	\$ 322	\$ (14,678)	\$ (28)	\$ 6,467	\$ (11,060)	\$ -
31	<b>Profit</b>			\$ (12,387)	\$ (66,073)	\$ (55,052)	\$ 76,295	\$ (21,802)	\$ (165,064)	\$ 176,494	\$ 86,173	\$ (37,088)	\$ 34,105	\$ (146,870)	\$ 30,870	\$ -

# Overview of Lean at ATC Trailers

## 2009

- REVENUE \$10,000,000
- RAW MATERIAL \$1,500,000
- \$75 PRODUCED PER HOUR WORKED
- \$90 PER SQUARE FOOT
- LINE PAY \$17 PER HOUR
- DEBT TO EQUITY 10 TO 1

## 2018

- REVENUE \$65,000,000
- RAW MATERIAL \$1,500,000
- \$110 PRODUCED PER HOUR WORKED
- \$280 PER SQUARE FOOT
- LINE PAY \$27 PER HOUR
- DEBT TO EQUITY 2 TO 1

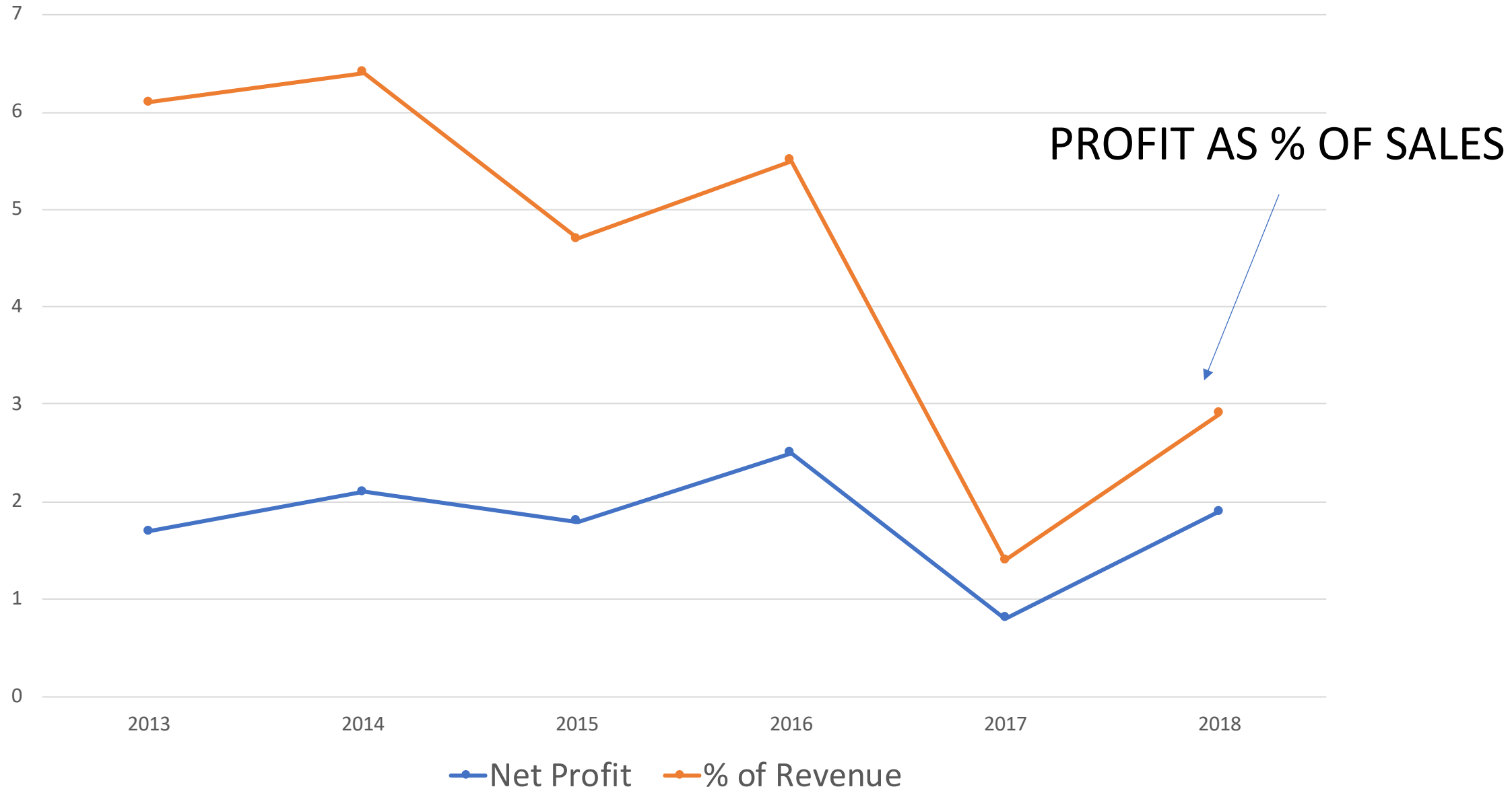
## % Change

- +650%
- +50%
- -210%
- 58%

EVERYTHING IS GREAT!

RIGHT? WAIT-MAYBE NOT!

# PROFIT GRAPH



1. ORGANIZATIONAL PURPOSE: “what you need to do better to satisfy your customers, and what you need to do better to survive and prosper as an organization”

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2. WHERE ARE WE NOW? CURRENT STATE:			
<b>METRICS</b> SAFETY QUALITY LEAD TIME COST CUSTOMER SATISFACTION SALES GROWTH PROFIT			

1. ORGANIZATIONAL PURPOSE: “what you need to do better to satisfy your customers, and what you need to do better to survive and prosper as an organization”

2. WHERE ARE WE NOW? CURRENT STATE:	3. WHERE DO WE WANT TO BE? FUTURE STATE:		
<b>METRICS</b> SAFETY QUALITY LEAD TIME COST CUSTOMER SATISFACTION SALES GROWTH PROFIT	<b>METRICS</b> SAFETY QUALITY LEAD TIME COST CUSTOMER SATISFACTION SALES GROWTH PROFIT		



1. ORGANIZATIONAL PURPOSE: “what you need to do better to satisfy your customers, and what you need to do better to survive and prosper as an organization”

2. WHERE ARE WE NOW? CURRENT STATE:	3. WHERE DO WE WANT TO BE? FUTURE STATE:	4. WHY DOES IT MATTER? TO WHOM?	
<b>METRICS</b> SAFETY QUALITY LEAD TIME COST CUSTOMER SATISFACTION SALES GROWTH PROFIT	<b>METRICS</b> SAFETY QUALITY LEAD TIME COST CUSTOMER SATISFACTION SALES GROWTH PROFIT	CUSTOMERS EMPLOYEES SHAREHOLDERS VENDORS SUPPLIERS CHANNEL PARTNERS DISTRIBUTORS	

# 1. ORGANIZATIONAL PURPOSE: “what you need to do better to satisfy your customers, and what you need to do better to survive and prosper as an organization”

2. WHERE ARE WE NOW? CURRENT STATE:	3. WHERE DO WE WANT TO BE? FUTURE STATE:	4. WHY DOES IT MATTER? TO WHOM?	5. ACTION!
<b>METRICS</b> SAFETY QUALITY LEAD TIME COST CUSTOMER SATISFACTION SALES GROWTH PROFIT	<b>METRICS</b> SAFETY QUALITY LEAD TIME COST CUSTOMER SATISFACTION SALES GROWTH PROFIT	CUSTOMERS EMPLOYEES SHAREHOLDERS VENDORS SUPPLIERS CHANNEL PARTNERS DISTRIBUTORS	A3 5S PDCA PDCS SMED KAIZEN KANBAN ANDON BOARDS POLICY DEPLOYMENT

# 2009-THIS IS HOW WE STARTED

2009

2011

2013

2018

1. ACTION:	2. WHERE ARE WE NOW? CURRENT STATE:	3. WHERE DO WE WANT TO BE? FUTURE STATE:	4. WHY DOES IT MATTER? TO WHOM?
<b>5S</b> <b>KAIZEN</b> <b>KANBAN</b> <b>ANDON</b> <b>7 WASTES</b>	<b>METRICS</b> SAFETY QUALITY LEAD TIME COST CUSTOMER SATISFACTION SALES GROWTH PROFIT	<b>METRICS</b> SAFETY QUALITY LEAD TIME COST CUSTOMER SATISFACTION SALES GROWTH PROFIT	CUSTOMERS EMPLOYEES SHAREHOLDERS VENDORS SUPPLIERS CHANNEL PARTNERS DISTRIBUTORS

# FIRE-READY-AIM!

2009

2011

2013

2018

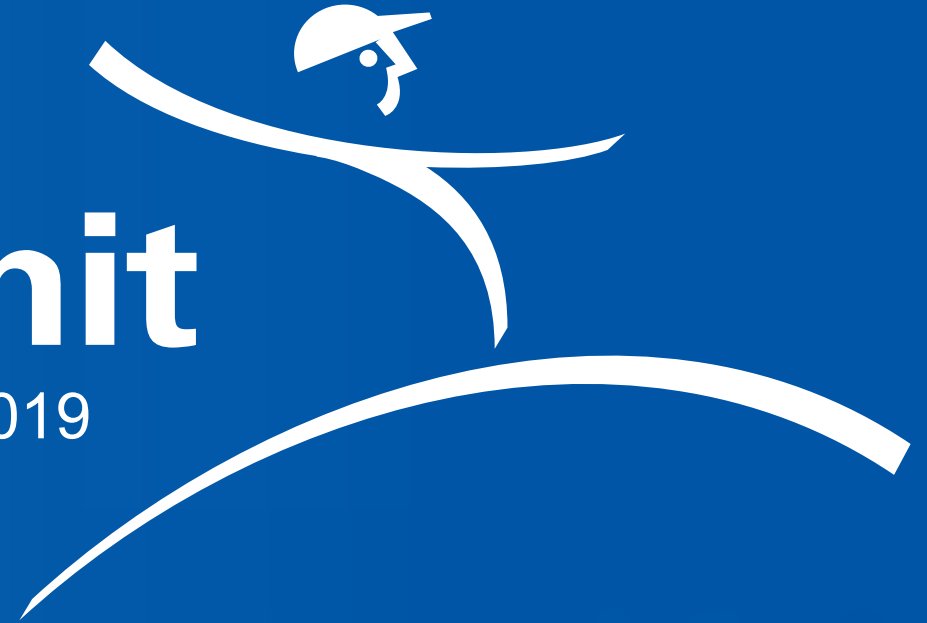
1. ACTION:	2. WHERE ARE WE NOW? CURRENT STATE:	3. WHERE DO WE WANT TO BE? FUTURE STATE:	4. WHY DOES IT MATTER? TO WHOM?
<b>5S</b> <b>KAIZEN</b> <b>KANBAN</b> <b>ANDON</b> <b>7 WASTES</b>	<b>METRICS</b> SAFETY QUALITY LEAD TIME COST CUSTOMER SATISFACTION SALES GROWTH PROFIT	<b>METRICS</b> SAFETY QUALITY LEAD TIME COST CUSTOMER SATISFACTION SALES GROWTH PROFIT	CUSTOMERS EMPLOYEES SHAREHOLDERS VENDORS SUPPLIERS CHANNEL PARTNERS DISTRIBUTORS

# DO IT THE RIGHT WAY!

1. PURPOSE
2. WHERE ARE WE NOW
3. WHERE CAN WE GO BY WHEN
4. NOW- TAKE ACTION WITH TOOLS

# Lean Summit

Houston | March 27 – 28, 2019



**Next Gen Learning and  
the Challenge of Sustainability**