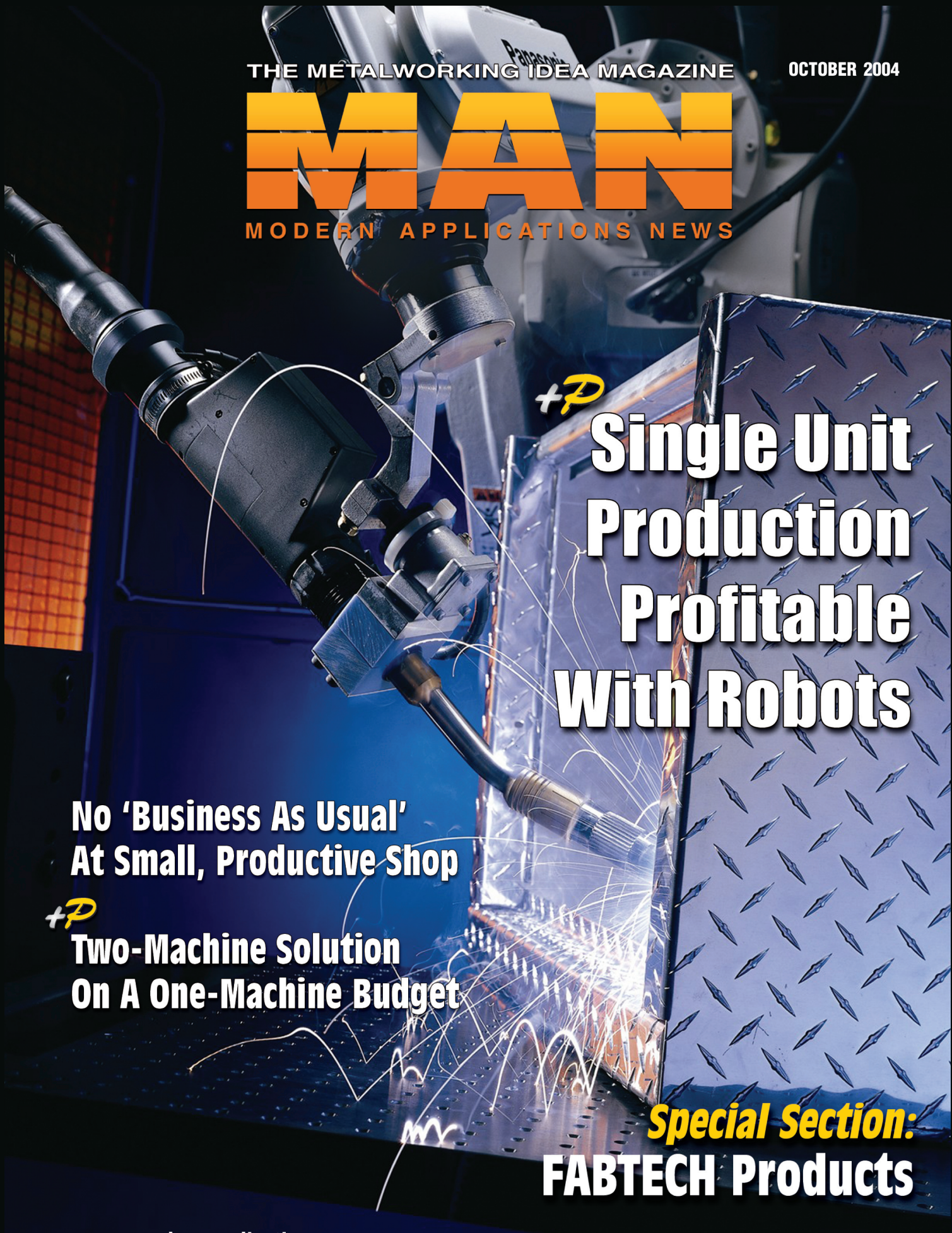
As seen in MAN Magazine October 2004



THE METALWORKING IDEA MAGAZINE

OCTOBER 2004

MAN

MODERN APPLICATIONS NEWS

+P Single Unit Production Profitable With Robots

No 'Business As Usual' At Small, Productive Shop

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Bob Olree, Publisher
Modern Applications News

86 Employee Shop... REALLY Serious About Manufacturing

I know that most, if not all, of our editorial is focused on solving problems encountered in the metalworking field. These solutions are normally related to the latest type of tooling or machine designed to reduce the labor burden, or to increase productivity and part quality through new designs or materials. This time though I want to share something with you that really got me excited about our industry, a new way of doing business.

Enter Fitzpatrick Mfg. Co. (Sterling Heights, MI), a CNC job shop/contract manufacturer specializing in Vendor Managed Inventory (VMI).

From the very start, Mike and Barb Fitzpatrick learned valuable lessons that would serve them well in the future. Mike grew up in the machine shop business under the tutelage of his father, with the smell of cutting fluid in his clothes. He learned that to be successful in this business, it must be in your blood and you must change with the times. If not, the rigors of the everyday challenges will eventually drive you out. Quoting jobs, meeting deadlines, keeping machines running, steering day-to-day operations, and finding and keeping good help are all continuing challenges of our business.

"...invest in your employees' wellbeing"

The Lesson

The real lesson Mike learned didn't come to him overnight. From a humble beginning in a garage with two machines back in 1953, Fitzpatrick Mfg. Co. has grown into one of Detroit's largest contract manufactures with more than 70 machines and 86 employees. Today when you drive up to their new 80,000 sq.-ft. building, you would never guess it was a high tech machine shop. From the moment you enter the spacious well-lit modern office you begin to realize that this company is doing something very right.

Starting the facility tour, I learned the building was designed from the inside out with functionality and material flow as the driving force of the design. The idea was to eliminate all throughput impediments for short run work that is typical of a CNC job shop.

Entering the production area you aren't confronted with the smell of cutting fluid, as each machine is connected to the centralized mist collection system. All machines are grouped in fully self-sufficient areas based on the kind of machining they perform, i.e., turning/milling/

From two machines in a garage, Fitzpatrick Mfg. has grown to one of Detroit's largest contract manufacturers specializing in Vendor Managed Inventory (VMI).

By normally hiring new employees right out of school, they are trained the "Fitzpatrick Way" and are treated as very valuable assets by the company.

grinding, thus providing quick turnaround of work. Each area has its own bathroom, coffee maker and small refrigerator, eliminating long trips up to a centrally located bathroom and neighborly chats along the way. All tooling needed for specific machining is located in that area thus eliminating trips to the tool crib.

Employee Assets

The first thing that struck me as I entered the state of the art conference room was a series of brightly colored, professionally done charts showing how the employee profit sharing program was doing. After receiving a presentation on how the system worked, I started to get a glimpse of their secret of success – invest in your employees' wellbeing and the investment will pay great dividends.

For example, the concept of surge management associated with job shop work is also used for employee traffic. This is evident throughout the facility. In the shop I noticed a long line of attractive, molded sinks, again so employees don't have to waste time in lines. In the lunchroom, 10 microwave ovens line the walls and are mounted in cabinets you would be proud to have in your home. The microwaves were spread throughout so you would not have to wait in lines to heat your lunch. The idea here is to provide quick access to anything employees need, making it more attractive to stay in the plant, thus reducing late lunch returns.

Next was a well-equipped workout room with all the latest equipment you would expect to find at the local gym, including wall-to-wall mirrors and monogrammed towels, and bottled water. If this weren't enough, the mens' locker room was equivalent to a fitness center. Each person has his own 2' wide locker with personal safe inside for valuables, while allowing the uniform company access to hang up their uniforms as needed. The lockers are numbered so the uniform supply company can deliver uniforms sequentially. The locker room has full individual tiled showers with soap, shampoo, and towels supplied.

The last stop was the classroom. For a second I could have sworn I was at IBM. Brightly colored modern desks; walls lined from end-to-end, top-to-bottom with certificates of completion in all areas of the trade – basic blueprint reading, quality control, proper handling of gages, CNC programming – you name it, it was covered.

Recruit, Retain

I had to ask if they found a problem finding good employees, and the answer was a refreshing, "No." They hire mostly young people right out of school and train them to do things the Fitzpatrick way. I asked if they were reluctant to make that kind of investment in their employees, again the answer was a resounding, "No!" Because of the total environment created in the plant, the investment pays big dividends in several ways. First, you don't lose good employees down the street to the lure of a little more money. No one else is offering the kind of work environment found here.

Training is a major investment the company makes in its employees. Training and certification in a wide range of metalworking practices are conducted in the plant's on-site classroom.

Also, the unique culture is built and maintained through the openness on the part of Mike and Barb Fitzpatrick to share financial details of job costing, etc., causing employees to take ownership of what they are doing. There is also an incentive to find less costly ways of producing parts. After all, the savings go toward the bottom line of the profit sharing plan. Employees who are not carrying their own weight in a particular area are moved to another area until their niche is found.

Barb shared that when a new customer visits the plant for a quote their first impression is that Fitzpatrick Mfg. will not be competitive. This impression is quickly proven incorrect. Because of its unique way of doing business and high level of coordination, Fitzpatrick is very competitive, and has been able to thrive and grow in this crazy market. The account manager notes that one particular customer has increased yearly orders by almost double but the average days for process have been reduced 28%.

Internal Efficiencies

My reason for sharing this story is not to show-off Fitzpatrick Mfg., although it deserves it. But it is to help you to see that you really can succeed and make money in this business, but perhaps it is going to take a thorough re-thinking of how to do business from the ground up. Fitzpatrick Mfg. is an example of a well-coordinated organization that has developed and maintained a competitive advantage by concentrating on internal efficiencies throughout the organization. Through its ability to concentrate on internal efficiencies, Fitzpatrick Mfg. Co. is able to achieve a higher quality product at a lower cost by achieving faster throughput.

The closest example to Fitzpatrick Mfg. Co. that I can think of as far as radical thinking is concerned, is a company that started building machining centers in California because the founder thought he could do a

PUBLISHER'S CORNER

better job of it and perhaps make money doing it. Gene Haas built and sold his first machine back in 1987, and today has become the largest machine tool producer in the country, if not the world. I recently visited Haas Automation's 880,000 sq.-ft. plant in Southern California. It is producing more than 700 machines a month. I am impressed with the kind of out-of-the-box thinking it takes to really succeed today.

As I drove away from Fitzpatrick Mfg., I glanced back at this beautiful building with its lush landscaping and couldn't help but think of old Norm Caswell, who gave me my first taste of working in a machine shop in Midland Park, NJ, back in 1964. It was refreshing to see that machining is not only alive and well, but still has a fantastic future.

Bob Olree, Publisher

Functionality and flow weren't just the design principles of the manufacturing areas, the same principles applied to the design of the employee lunch room where needed items, such as microwaves, are positioned to eliminate crowding and waiting.

Care to share your story?
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