

Wake up, manufacturing

By REBECCA MORGAN

It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is the most adaptable to change. — Charles Darwin

If only all manufacturers in Northeast Ohio acted as if this Charles Darwin declaration were true. While some area companies constantly work at becoming more competitive every day, others continue to act as if 1950 is right around the corner.

Simply saying, "We've always done it this way," is not the key to future success. The world really is changing daily, with customer expectations and global competition increasing constantly. What has "always worked" — heck, what worked yesterday — won't cut it moving forward.

If Ohio manufacturers want to survive, they better wake up. There are plenty of approaches to operations to consider, and surely one of them can help your company survive.

Consider three time-tested approaches that could help many Northeast Ohio manufacturers: MRP/ERP, Lean Manufacturing and Theory of Constraints.

Materials Requirement Planning (MRP) systems were available in the late 1960s. Throughout the 1970s, '80s and '90s MRP systems evolved into Manufacturing Resource Planning (MRPII) and Enterprise Resource Planning (ERP) systems capable of integrating most company data. Such systems can be an excellent planning tool.

Yet many companies that bought the software still struggle with the basics. ERP can't improve your company's performance if system users do not understand fundamental concepts. Nor can it pay for itself if

management supports a lack of discipline that encourages ignoring the system.

Lean Manufacturing focuses on three things: value as defined by the customer, the elimination of waste, and continuous improvement. The concepts of Lean, based on the Toyota Production System, were born in the mid 1940's and continue to evolve today. Lean philosophy and tools are hardly cutting edge, and are proven with the success stories of thousands of companies across numerous industries, some in Northeast Ohio.

The 1984 book "The Goal" outlined a manufacturing concept called "Theory of Constraints." TOC demonstrated that not all improvements are equally valuable, and how concentration on the constraint will increase throughput and profits. TOC continues to evolve today, as manufacturers throughout the world use TOC concepts to drastically improve the output of production, the success of projects in terms of time and money, and the optimization of the entire supply chain. Focusing on what matters, however, is not particularly radical advice.

Manufacturing employment is declining throughout the world. But the demand for goods and services is not. While efficiency improvements may mean that not as many people are needed to provide them, people will still be needed. And they can be in Northeast Ohio if our manufacturers take advantage of available tools.

Effective use of ERP, lean manufacturing and TOC require a management committed to implementing the concepts. Not just trying them, but living them. Maybe one or more of those tools is the ticket to helping your company succeed. But doing what you've always done is not.

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