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Lean concepts make beautiful days for Neighborhood

By DAVID PRIZINSKY

At Neighborhood Manufacturing Co; in Cleveland, the benefits of lean manufacturing concepts have been numerous - improved worker morale, higher rates for incentive pay, and space enough to accommodate a new line of business.

The light machining and assembly company serves parent Superior Tool Co., a Brooklyn Heights maker of plumbing hand tools. Located at 3243 W. 33rd St. in Cleveland, the company employs 25 full- and part-time workers who live within walking distance of the shop.

The company's location is the result of company president Charles Mintz's desire to bring jobs to the central city where people often lack the mobility to follow the steady stream of manufacturing jobs to newer, outlying areas.

Turning to lean production at Neighborhood meant abandoning a piecework system that paid workers for the number of individual parts they produced in favor of a production system that organized workers in groups to make a finished product.

"We have gone to a group incentive, and we are now paying bonuses based on group productivity," Mr. Mintz said. The increased efficiencies and the elimination of wasted motion and excess inventory as a result of lean production have made it possible for workers to earn bonuses of close to \$1 per hour, up from 40 cents under the old approach, he said.

"We think there is a place for manufacturing in the inner city, but to be successful you still need customers and an efficient operation," Mr. Mintz said.

To make the changes at Neighborhood, Mr. Mintz last year brought in manufacturing expert Rebecca Morgan, president of Fulcrum ConsultingWorks Inc. in Cleveland. Ms. Morgan laid out a plan for restructuring the manufacturing process and involved workers in developing the system.

Ms. Morgan pointed out that veteran Neighborhood employee Debbie Riggs designed the four work cells that form the heart of the new system.

"The cells were designed by Debbie, and she never heard of cellular manufacturing," Ms. Morgan said. "Lean doesn't always have to be a complex issue. It doesn't have to be done completely by the book to get the full benefit."

Ms. Riggs said Neighborhood Manufacturing now has a more effective production system that has placed an emphasis on teamwork.

"Everything we make is out the door that day," said Ms. Riggs, indicating how an improved sense of accomplishment helps morale.

Mr. Mintz said the new manufacturing methods have shown the employees that they can manage themselves and "control their horizons." Mr. Mintz said it was difficult for the employees to sense they were managing themselves when all they did during the day was drill a hole in a piece of metal.

"Now they relate to the production of a finished product," Mr. Mintz said.

But there also were more practical, clear-cut benefits that should help Neighborhood expand sales and diversity its customer base.

Because lean manufacturing reduces or eliminates unnecessary inventory, 4,000 square feet of space at the 10,000-square-foot plant now can be used for the company's contract manufacturing business, which serves customers other than Superior.

"The contract part of the business is growing. It's up to 20% of the company's revenues and there is room in the plant to satisfy more customers," Mr. Mintz said. Neighborhood doesn't reveal its sales figures.