

AMERICAN GRAPHIC BOARD: Add New Sales to the Board: CMTC Helps American Graphic Board Grow



From albums and binders to puzzles and folding cartons, American Graphic Board, Inc. manufactures some of the products we use in our everyday lives. The organization converts and supplies paperboard and paper for printing, packing and various other equipment. Based in Commerce, CA, the company is equipped with a laminator, three sheeters, two rewinders, two die cutters and a variety of other finishing equipment.

In the beginning of 2011, American Graphic Board made it a priority to expand its business. "We wanted to increase production levels and further develop our product line to better serve our current clients while attracting new customers," says Mike Carmody, Chief Financial Officer of American Graphic Board.

However, process inefficiencies were leading to bottlenecks and unnecessarily increasing production costs. "Our goal was to address these issues and create an environment of continuous improvement. We wanted to reduce production costs and invest these savings into areas that would help us grow," says Carmody.

While American Graphic Board recognized the need for change, it was hesitant about investing in improvement initiatives. The organization had made previous attempts to better its operations and employee workforce skills, but didn't realize significant improvements. "Many of our employees speak Spanish as their primary language, so the communication barrier made it difficult to engage our entire staff in improvement initiatives," explains Carmody.

American Graphic Board was then introduced to California Manufacturing Technology Consulting® (CMTC) during an outreach program. Shortly after, the company requested CMTC's assistance to work with them on product innovation, financing, continuous improvement initiatives and cost reduction projects.



In April 2011, CMTC and American Graphic Board participated in a Single Minute Exchange of Die (SMED) Program. Consultants analyzed the company's manufacturing processes and identified specific areas to improve efficiencies. "Consultants recognized that there were opportunities to reduce time and increase

productivity when we were switching out pieces of equipment during production,” cites Carmody as an example. A goal was then established to more effectively streamline the process of exchanging equipment pieces when producing different items.



To overcome the language barrier, CMTC sent a consultant who was fluent in Spanish to work with American Graphic Board. The company’s SMED Program was conducted in Spanish so that all of their employees could participate and become a part of the solution. “This allowed us to build a stronger sense of teamwork which directly increased our productivity,” says Carmody.

CMTC’s work enabled American Graphic Board to more effectively serve its customer base, retaining a projected \$3 million in sales and 14 positions.

The improved efficiencies also saved the company \$500,000 in production costs which were then reinvested into new product developments and plant, equipment and IT improvements.

“CMTC’s guidance resulted in cost savings which allowed us to further invest in innovation, employee development and equipment resources. These improvements allowed our organization to become more productive and develop new products, increasing our sales.”

*-Mike Carmody
Chief Financial Officer*

As a result, the company was able to accommodate more demand and obtain new customers, leading to \$200,000 in new sales. American Graphic Board created 5 new jobs to manage the increased demand.

“We were very fortunate to work with a consultant who was both well-versed in improvement techniques and bilingual to communicate with our many Spanish-speaking employees,” says Carmody.

FEATURED CUSTOMER

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