



Manufacturing Leadership Center

Solution to Problems, or a Purveyor of Stuff?

June 17, 2013 by Bill Waddell

The <u>story of Marlin Steel</u> is perhaps the best lean story I have read all year, even though there is nary a mention of 5S, kaizen, kanban, or even the term lean itself. It is a story of flexibility, quality and recognizing that the very heart of lean lies in creating value for customers.

"People come to us with a problem and we try to solve it," says design engineer Kash Alur.

The idea if the company has a solution to customers' problems, rather than simply a producer and purveyor of stuff, is the critical ingredient to being a lean manufacturer – a company that maximizes customer value and minimizes waste – that which doesn't add value. Without this focus – with a cost only focus – the definition of waste is simply cost.

"The final line of defense for Marlin lies in the customers it targets: [owner and CEO Drew] Greenblatt wants the toughest ones, the kind who make his competitors roll their eyes. 'What I realized is that the customers who are a pain in the neck are really the great customers,' he says."

The big deal about these statements is that this was a company that made <u>wire baskets</u> for bagel shops. Now it makes a lot more money making ire baskets for just about everyone. It accomplished this by aggressively going after tough jobs and setting its internal quality bar a whole lot higher than that of even the most demanding customers.

"Often three nearly identical images of a part are etched into the same <u>check fixture</u>. The one on the right is the customer's requirement—say, a tolerance of 0.12 inches. The one in the center is Marlin's 'okay to ship' standard, always better than the customer request—say, a tolerance of 0.06 inches. The one on the left is the 'Drew' standard—perhaps a tolerance of 0.03 inches—four times the precision of the customer's spec. 'If we send them that left one, they will never leave,' Greenblatt says."

How good are they? Good enough that <u>Toyota not only buys their baskets</u>, <u>but buys quality fixtures</u> <u>from them as well</u>. Not bad for what was once a bagel basket makers who measured quality with a tape measure – the standard was whether bagels would fall through the baskets or not.

These guys' story is in such dramatic contrast to that that of so many companies that focus on easy customers – those that put up with average quality and delivery – and view tough customers as a pain. It is also in dramatic contrast to the many companies who view cost as the alpha and the omega of manufacturing. Rather than be a solution to customer problems, too many companies measure success by simply avoiding the creation of customer problems.

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