

Argus Industries' Journey into Kaizen

"SYSPRO is a huge program and we were only using a portion of it. With Ajay's help we were able to automate processes that used to eat up a great deal of our time. A 45-line PO that might have taken 3,5 hours to prepare the old way now only takes 30 to 45 minutes. That's a huge saving."

- Mario Vechina, Process Unit Leader and Data Entry Team Leader, Argus Industries

■ The Company

Argus Industries opened in 1962 as a distributor of portable toilets. In 1985 the company made its first molded product – a rubber seal for portable toilets. Today, headquartered in Winnipeg, Manitoba, with a branch plant in Pickering, Ontario, and over 80 employees, Argus is a mid-sized custom manufacturer. Its offerings comprise rubber-molded products and custom die cut gasket seals, with clients from agriculture to aerospace, including companies in heavy electric construction, mass transit and mining.

The company makes products as diverse as tiny clips for heart monitors, bulkhead seals for airplanes and silicone shaker balls for the potash and grain industries.

In 2009, Argus's CEO chair was assumed by Michael Easton, the company's former VP, Production. Easton, who had already implemented lean practices on the shop floor, now championed the adoption of lean across the entire company.

Leslie Galbraith, VP Finance of Argus, says: "It was an exciting and interesting time. When you go lean on the production floor it changes how everything looks and flows. To visualize how that would work in other divisions was difficult at first, but as we discovered, it was well worth our time."

At a glance

Company

Argus Industries

Industry Sector

Plastics and Rubber

Number of Employees

80+

The Challenge

- Identify inefficiencies
- Improve business processes

Solution & Services

- Accounts Payable
- Accounts Receivable
- Bill of Materials
- Factory Documentation
- Office Automation
- Quotations
- Inventory
- Material Requirements Planning
- Work in Progress

The Benefits

- Continuous process improvements
- Increased customer satisfaction
- Improved employee morale



(continued)

■ The Challenge

In line with Easton's lean drive, Galbraith began to take a deeper look at the company's enterprise resource planning (ERP) software. "In '98 we were using SYSPRO's Impact Award, and we were on the brink of upgrading to Encore. I began to wonder if SYSPRO was the right fit for us, and investigated several other ERP systems. In the back of my mind, however, I knew that we were not utilizing SYSPRO to anywhere near its full potential."

In 2010 Galbraith attended a SYSPRO conference in Dallas. "That was my moment of inner realization. It was then that I began to understand the real strengths of ERP and what it could do for us. It also validated that staying with the ERP we already had was the right thing to do. I came back from that conference a SYSPRO super user and cheerleader all in one. We had already invested a good deal of time and energy in moving the production floor to lean, and I was certain there was a lot we could do for the front office people as well."

■ The Solution

Swayed by Galbraith's vision and enthusiasm, Argus's executive team decided to start investing in ERP and, in June 2012, the company upgraded to SYSPRO 6.1.

"When we flipped the switch, we saw some of our pains disappear. The following weekend SYSPRO guru Ajay Saxena arrived from Ontario to spend a week with Argus, living and breathing our processes. Ajay came up with some potential opportunities for improvement, and identified MRP as a critical missing link in what we were doing. From that our kaizen event was born," Galbraith says.

A kaizen event is an extremely focused short-term project, often orchestrated by a consultant, that aims to improve one or more business processes. Argus's event was five days long, and presided over by Ajay Saxena, Senior Systems Consultant for SYSPRO Business Solutions.

"Argus is a unique client," Saxena says. "Going into their kaizen event, they already knew that they wanted to improve their practices, and they already had a team in place to start the project. Typically we have to get the client to buy into lean manufacturing and kaizen, which simply does



not happen unless the whole corporate culture is onboard, from the CEO to the people on the shop floor. At Argus they knew what they wanted and they came prepared. They already knew what kaizen meant – the philosophy and the process. That made their kaizen event an easy and enjoyable project."

"We had to learn best practices, but we also needed to find out what we wanted our ERP to do, and to see if our hopes and dreams were viable," Galbraith says. "The best way to move forward in an organized, structured way was a kaizen event. The event comprised a full evaluation of our supply chain process from order entry to fulfillment."

To let the kaizen team focus on what they were doing, the rest of the organization had to respect the time it was spending away from the daily functioning of the company. "We had support and participation from all corners and levels of the organization, and the fact that the voices for change started at the senior level made it that much easier."

■ The Result

One of the kaizen team, Process Unit Leader and Data Entry Team Leader Mario Vechina, is a certified Computer Electronic Technician who received Level One Lean Certification in December 2011.

"Ajay taught us a ton of different things during our kaizen event," he says. "SYSPRO is a huge program and we were only using a portion of it. With Ajay's

(continued)

help we were able to automate processes that used to eat up a great deal of our time. One of the biggest gains for my department was to auto-generate the Job Card and have it linked to Sales Orders. That lets us automatically attach production drawings to the back side of the Job Card. That's much faster than the old way, which involved physically finding and attaching the drawings, and would take two to 10 minutes per line. A 45-line PO that might have taken 3,5 hours to prepare the old way now only takes 30 to 45 minutes. That's a huge saving."

Vechina is also grateful to Saxena for showing the group how to do advanced trial kitting. "We now enter a single finished part number or a list of finished part numbers, run the advanced trial kit, and it lets us know if we have any material shortages. Before I get back to a customer on delivery dates I know exactly what inventory is in stock. The old way was horrible – we had to type in the raw-material part numbers individually to make sure we had enough. Advanced trial kitting has created a huge benefit on the customer service side."

Kaizen does more than improve productivity. It also eliminates unnecessary hard work, teaches people how to spot and eliminate wasteful processes, and humanizes the workplace.

"Because of our tribal culture, we're encouraged to think for ourselves and work towards continuous improvement. The people invited to the kaizen event were very involved, and everybody was open to change. We were tired of the pain that comes from inefficient processes, and we wanted to make it better," Vechina says.

"The benefits we reaped were amazing," says Galbraith. "We were doing many things in an archaic fashion, and we weren't using SYSPRO to nearly its full potential. A lot of changes came out of our kaizen event that resulted in enormous payback in terms of customer satisfaction, employee satisfaction and employee engagement. It opened people's minds to bringing their thoughts forward. We now have a Team SYSPRO e-mail, and on average I get three suggestions a week on how we could modify SYSPRO to better improve our processes. The whole team has access to that e-mail and there are improvements happening every day."



"The benefits we reaped were amazing. We were doing many things in an archaic fashion and we weren't using SYSPRO to nearly its full potential. A lot of changes came out of our kaizen event that resulted in enormous payback in terms of customer satisfaction, employee satisfaction and employee engagement. It opened people's minds to bringing their thoughts forward."

Leslie Galbraith
VP Finance, Argus Industries

Towards the end of the event the kaizen team made a value graph to chart the opportunities it hadn't had the chance to address. "Since then, 70% of what we plotted has been implemented, and the other 30% will be addressed in the future. Even if it's a small step at a time we keep moving forward," Galbraith says.

Asked to quantify the event in terms of ROI, Galbraith demurs. "We didn't go into this for monetary ROI – we went into it for the tribal ROI, and that we definitely have. It was an amazing event to be part of. Even now when I speak of it, it resonates as a very positive journey. The team that started the week was not the team that finished the week. At the end we were a mini-tribe within the tribe. An event like this can't really be quantified, except in terms of questions raised and problems solved."