

## Lean Transformation Leads to \$400K in Increased Sales for Summertree Interiors (dba Newport Cottages)



When celebrities buy furniture for their children, they turn to Summertree Interiors Inc. (dba Newport Cottages). Based in Riverside, CA with 25 employees, the company is a minority-owned business that specializes in creating finely crafted baby and children's furniture from select hardwoods. The company's products are high-end, as each piece is individually made and then personalized with custom hand-rubbed finishes. Their products include desks, chairs, beds, dressers, bookcases, cribs, and more.

Businesses typically welcome an increased interest in their products, and this was the case for Summertree. However, while the company was looking forward to its growth potential, it was also having difficulty meeting all of their orders.

*"It was exciting that we were getting so much attention,"* explains Pocket Alvarez, Summertree's CEO. *"But, we didn't have the organized processes and infrastructure in place to manage all of the demand and it was leading to several challenges."*

Workflow issues were impacting all of the departments, and long lead times were causing 90% of the orders to be shipped late. These disruptions and backups were also resulting in wasted materials and higher production costs. *"Our customers loved our products, but we were actually at risk of losing our key clients because of the late shipments. Plus, we couldn't take on new orders until we could comfortably manage our existing demand,"* says Alvarez.

Summertree connected with CMT and consultants recommended a Lean Transformation Program, which utilizes Lean methodologies and tools to improve operations. Management and employees were first trained on the importance of continuous improvement and participated in numerous Lean training sessions over the course of six months.



*“Training was instrumental in creating more standardized processes on the production floor, and we were able to identify the main causes of our backups and delays. This helped us prioritize action items for improvement,” says Alvarez.*



As a result of training, various pieces of equipment were reorganized on the shop floor. This created a more sensible flow for production and helped team members identify issues or backups in production earlier in the process. *“A huge improvement was the increased communication between team members and departments. The new standardized documentation process to track orders was very helpful,”* says Alvarez.

Training concluded after six months and the implemented changes reduced the company’s lead times and increased on time deliveries, retaining an estimated \$1,000,000 in sales and 12 jobs. The improved operations also reduced the amount of wasted materials, saving the company \$250,000 in costs. These savings enabled the organization to make investments in other areas of their business such as IT and new equipment.

*“With CMTC’s assistance, we were able to improve our workflow and better manage demand. As a result, our company experienced \$400,000 in increased sales, 6 new jobs, and \$250,000 in cost savings.”*

- Pocket Alvarez,  
CEO of Summertree dba  
Newport Cottages

## FEATURED CUSTOMER

### **Summertree Interiors Inc.**

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