

DEPARTMENT OF MECHANICAL AND AEROSPACE ENGINEERING SEMINAR

University of Virginia, Charlottesville

Lean as a Business Strategy

Don Beaver

Time: Thursday, April 3, 2008, 4PM

Place: MEC 341, Mechanical Engineering Building

Refreshments at 3:30PM in MAE Faculty Lounge, MEC 305

More than a decade ago James Womack coined the term “lean manufacturing” in the book “The Machine that Changed the World”. He used the term to describe a business strategy with a foundation in the Toyota Production System.

Today lean has taken on a broader perspective and describes an organization that is process focused, encourages risk taking and has a bias for action and change. The culture is very different from traditional organizations because every employee has the opportunity and mandate to improve the business. In addition, the strategy is much more focused on management of cash as opposed to historical profit and loss indicators. Successful lean implementations allow companies to weather the ups and downs of markets and the economy because of superbly efficient use of invested capital.

In this seminar, we will explore the origins and language of the lean movement. We will explore what cultural changes are required to be successful. We will also look at what a focus on cash as opposed to profit can mean to a business. Finally, we will discuss some examples of great lean implementations including Boeing, Porsche, and examples from my own career in the construction and consumer products industries.

Biography

Education: BS Accounting and MBA

Work Experience:

- Butler Manufacturing Company-Eight years with the largest manufacturing of pre-engineered buildings in the United States. Assignments included systems and accounting work in Pennsylvania, Plant Controller in a Texas plant and Division Controller in a West Virginia plant. Also facilitated the sale of the business in West Virginia to The Wiremold Company.
- The Wiremold Company-Served as Director of Administrative Service and ultimately VP General Manager at the largest subsidiary in West Virginia. The plant manufactured in-floor wire management products.
- American Safety Razor Company-Senior Vice President of Operations for a global supplier of private label wet shaving products.
- Coldmatic Products, LLC-Vice President Manufacturing for a Canadian based manufacturer of commercial refrigeration products.

Accomplishments:

- Part of a team that produced a profitable turn-around for a Butler Manufacturing plant in Texas.
- Lead the financial negotiations between West Virginia and Ohio to develop an attractive relocation package to build a new plant for Wiremold.
- Implemented Lean (Toyota Production System) at the Wiremold subsidiary to improve inventory turns from 3 to 14, improve plant margin from seven percent to 21 percent and improve customer service on time delivery from low 90 percent to over 98 percent.
- A member of Senior Management group at Wiremold to be interviewed for the development of the book "Better Thinking, Better Results"-Emiliani, winner of the 2003 Shingo prize
- Implemented lean (Toyota Production System) at American Safety Razor to improve inventory turns from 3 to 9 turns, improve customer service from higher 70 percent on time to over 96 percent on time, and added over two points to EBITDA.

Other Training:

- Program on Negotiation-Harvard University
- Labor Relations Certificate-Cornell University
- Executive Program-Center for Creative Leadership, Colorado Springs, Colorado
- Two Japan Study Trips-Shingijutsu Consulting