

COMMITMENT TO CONTINUOUS IMPROVEMENT RESULTS IN MAJOR PROCESS IMPROVEMENTS

BACKGROUND:

California Closets is a national franchise that pioneered custom storage solutions in 1978. Marty and Ruthie Ginsberg first opened California Closets doors in Fairfield, New Jersey 28 years ago. The Ginsberg's motto since day one has been to provide North Jersey residents with the quality materials, beautiful craftsmanship and impeccable customer service California Closets is famous for across America. Their deep understanding of the particular storage challenges in North Jersey homes helped them build a highly successful company.

CHALLENGE:

Manufacturing locally has many benefits it also has many challenges when running a manufacturing facility as well as a topnotch design and problem solving company. No project is too large, small or unconventional, so having efficient manufacturing processes is key to remaining profitable. Mr. Ginsberg needed to assurance that his production floor was just that.

Over the years Marty worked closely with New Jersey Manufacturing Extension Program, Inc. (NJMEP) to transform his shop by implementing Lean Manufacturing. Lean is a journey, not one stop and you're done. Now it was time to take another step, the introduction of Lean to Middle and Upper management. Naturally he turned to NJMEP.

SOLUTION:

NJMEP laid out a plan including the Introduction of Upper and Middle management to Continuous Improvement/Lean concepts via access to E based Lean Focused Manufacturing Software provided by Radical Transformation LLC.

To begin the process the team physically value stream mapped the order to cash process from inception to loading the vans and trucks. This included a current state value stream map and a future state value stream map with ongoing refinements discovered through Kaizen events. The goal - eliminate any bottle necks found in the system in order to accommodate a 1.5 times increase in sales in the same footprint currently in use.

Specific attention was made towards developing the mindset and lean culture of the three identified members of the operations management team to think and act Lean.

The strategy for this segment California Closets Lean Journey included:

- Increase cycles at the saw
- Increase Meters of banding
- Improve Defect Management
- Reduce payroll to revenue ratio to less than 4%
- Implement parts Kanban systems
- Reduce scrap material at both the pole cutting stations and saws
- Improve first time pass rates.
- Develop root cause analysis skill with the management team

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RESULTS:

California Closets achieved its objectives. Through the most recent work with NJMEP, the Company reported the following when surveyed:

- Increased sales: \$250,000
- Cost savings: \$150,000
- Investment in New Products & Process: \$100,000

When asked about Lean Marty Ginsberg explained, “The Lean Training with NJMEP has increased our operational productivity and efficiency. Employees have been taught organizational skills...everything in our shop now has “a place to live” which has resulted in a more efficient workplace resulting in shorter lead times. Our workforce has developed confidence and pride in their work. Our percentage of shop labor has remained constant despite the increased output. Lean has helped us improve our bottom line. ”

He then added, “By implementing a lean transformation agenda we’ve cross trained our employees. They are now full participants in the reduction of production waste, factory efficiency improvements and manufacturing cost reduction. NJMEP has been a great source of support for CC. Not only have helped with the training when we first started on this journey they assisted us with DOL grants from beginning to end. We might not be where we are today without the financial help that funding provided. We are very satisfied with their service and would recommend them to other NJ manufacturers.”

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