

## **SKILLS4JERSEY TRAINING GRANT POSITIONS COMPANY FOR GROWTH**

### **BACKGROUND:**

**Johns Manville**, a Berkshire Hathaway company, manufactures residential and commercial insulation, commercial roofing, mechanical insulation and materials for other manufacturers' products and applications. Its Zeston PVC Operation manufactures insulation systems for industrial use: Zeston 2000 PVC System, Zeston 3000 PVC System and its Perma-Weld Jacketing System, Insulated Fitting Covers and Installation Accessories. The company, which is publicly traded, employs over fifty people in the Edison New Jersey plant.

### **CHALLENGE:**

Mark Fessler, Business Manager, of Zeston PVC Operations wanted to upgrade employee skills in order to position this division to supply more competitive service than their competitor in Florida. To do this both the shop floor and management teams would have to put in a concerted effort on learning and employing key Lean Manufacturing and Six Sigma principles in order to eliminate waste, improve operational efficiencies and reduce cycle times. This would ensure its customers would receive higher quality product quicker in this important recovery period for the building industry. Mr. Fessler was referred to NJMEP to assist with securing a training grant and providing the required training.

### **SOLUTION:**

NJMEP met with Mr. Fessler to introduce the organization and complete an assessment. NJMEP would work with the Zeston PVC operation to get ready for the grant application by preparing a 2014 Trainee Data Wage Calculation for the FY2015, designing a training plan and assist with applying for and then managing the approved grant. Lean and Six Sigma Training would be instituted under the grant. The training would provide the skills necessary to improve Zeston's manufacturing processes enabling the company to realize a 20% overall improvement in capacity (and capability) as laid out in its business plan.

The company had a two phase plan. Phase I –investment in people and capital assets with advanced skill set training. Phase II –training and improvement work is planned to leverage the Phase I investment. For Phase II, all members of the staff would be trained on additional Lean Manufacturing methodologies, applied Six Sigma techniques, Quality System development, and self-directed work process management skills in the specific operational areas of the facility so that next-level improvement activities can occur. Over the course of one year Zeston's workforce took part in 300 hours of training in eleven different areas of study ranging from Lean and Six Sigma tools and processes to Team Building.

Mark Fessler reported, "In 2013, and 2014, Johns Manville invested more capital in the Edison, Manufacturing facility than the prior 10 years combined. With this significant investment in modernizing the facility and purchasing automated equipment, job responsibilities have changed (and are changing) dramatically at Edison.

Four manually-intensive jobs have been eliminated with automation and eight other jobs have been modified and/or created, as a result of the new plant configuration and technologically advanced equipment. With the improvements in work flow that were realized from the efforts associated with the Skills4Jersey Training Grant, the plant recognized significant productivity improvements –over 25% in Warehousing/Shipping and close to 15% in Thermoforming—which allowed the facility to absorb a 18% increase in sales volume and generate record profitability for the business.

The focus and strategy on job creation (or modification and modernization) at the plant has been to utilize the training

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grant funds to involve workers in efficiency improvements to drive productivity and (re)train individuals for higher value jobs that are resulting with the implementation of efficient work practices and installation of automated, technologically-advanced equipment.”

## RESULTS:

“Additionally,” he added, “after reducing lead-times by over 50% and implementing customer service improvements, a new, salaried supervisor/service coordinator and planning position has been added to the business. The combined result of improvements associated with the NJDOL training grant and investment in state-of-the-art processing equipment has been the retention of eight hourly positions through job modifications and skill upgrades in a more efficient plant operation handling increased production volumes, which has kept jobs (and this business) in New Jersey.”

When surveyed by NIST, Johns Manville reported the following:

- Increased sales \$2,000,000
- Cost Savings \$40,000
- Invested \$1,000,000 in New Products and Processes

The company also:

- Reported Investing \$81,528.00 in Workforce Practices in the grant close-out report
- Invested \$10,000 in OSHA training in addition to the Skills4Jersey program

All OSHA training for the facility was in support of compliance (computer-based training) and pursuit of OSHA VPP (Voluntary Protection Plan) certification with OSHA 10 training provided for the safety leadership team and safety committee.

**“Given the improvements in the operations being realized at Johns Manville Zeston operations at Edison, NJ and the increased capabilities/capacity of the business, acquisitions are being considered at this time and planned scenarios are being developed for incorporating and consolidating acquired business into the Edison, NJ location. The 2013/2014 work associated with the Skills4Jersey Training Grant has proved to be instrumental in positioning the Zeston PVC business for growth and potential incorporation of acquired product and production volume in the near future.” Mark Fessler, Business Manager, Zeston PVC Operations**

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