EXCELLENCE THRIVES

INDUSTRYWEEK's 2010 Best Plants winners deliver remarkable manufacturing performances and aim even higher.

INDUSTRYWEEK's 21st annual salute to the best plants in North America illustrates one undeniable fact: Excellence in North American manufacturing continues to thrive.

From Mexico to Canada and representing five different U.S. states, the 10 manufacturing facilities that comprise the 2010 class of INDUSTRYWEEK's Best Plants winners demonstrate the rewards that accrue to manufacturers who strive for perfection and never relax their efforts to improve.

Their paths to operational excellence are varied. Newark, N.Y.'s IEC Electronics Corp., for example, recognized that it needed to evolve to survive, scrapping an old business model and embracing a new one developed in response to changing market dynamics. As a result it is succeeding in an industry that has moved largely overseas. Batesville Casket Co.'s Vicksburg, Miss., operations, on the other hand, continues to pursue the processes that earned it a 2007 IW Best Plants award. It hasn't stopped there, however. "Optimizing" is an often-heard word around the plant these days as the facility focuses on getting more and better yields from the lumber that comprises its primary raw material.

These are but two examples from 10 INDUSTRYWEEK Best Plants winners that are succeeding in a manufacturing environment that continues to challenge even the strong. These facilities are increasing their competitiveness by addressing challenges on all fronts and recognizing that operational excellence is a team game. Smart leaders willing to listen and learn; an engaged work force desiring to help their workplace improve; and supplier and customer participation—all contribute to driving excellence within a plant and beyond. Contributing as well is a focus on employee training and the prudent introduction of production and information technologies to help the work force do their jobs more quickly, more safely and with greater precision.

The annual INDUSTRYWEEK Best Plants competition evaluates manufacturing facilities in multiple categories, recognizing that operational excellence is not delivering good quality at the expense of on-time delivery. Neither is it meeting productivity goals at the expense of worker safety, or by working harder but not smarter. It is a comprehensive focus on excellence in all areas, with an unstoppable focus on improvements that will further increase competitiveness and enhance customer satisfaction.

The following pages contain the stories of INDUSTRYWEEK's 2010 Best Plants winners. Be prepared to gain new insights and ideas to improve your own manufacturing operations. Indeed, IW's Best Plants winners from today and yesterday are not strangers to gaining good ideas from other manufacturers both within and outside of their own industries. You can also read more about the 2010 winners online at www.industryweek.com. The online versions contain additional Web-exclusive best practices.

How They Made the Top 10

INDUSTRYWEEK began accepting application requests for the 2010 Best Plants awards late last year. A panel of IW editors reviewed the completed applications, which reported management practices and plant performance in such areas as quality, customer and supplier relations, employee involvement, productivity, cost containment, manufacturing flexibility and responsiveness, inventory management, environmental and safety performance, and market results.

Selection of the winners from a list of 20 finalists was aided by a team of outside experts: Sherrie Ford, principal, Change Partners LLC; Robert Hall, a founding member of the Association for Manufacturing Excellence; Kenneth J. McGuire of the Management Excellence Action Coalition; and Larry Fast, president of Pathways to Manufacturing Excellence. Their evaluations, along with additional information provided by the finalists, were considered in the final stage of judging. The selections did not become final until site visits by IW editors to validate the performance data and management practices reported in the applications.

THE WINNERS

▼ American Axle & Manufacturing-Three Rivers Manufacturing Facility, Three Rivers, Mich.

▼ Avery Dennison Office Products de Mexico S. de R.L. de C.V., Tijuana, Baja California, Mexico

▼ Batesville Casket Co.-Vicksburg Operations Vicksburg, Miss.

▼ Bunge Oakville Oakville, Ontario, Canada

▼ Carrier Charlotte Chiller Operations Charlotte, N.C.

▲ General Cable Franklin Plant Franklin, Mass.

▲ IEC Electronics Corp. Newark, N.Y.

▲ Landis+Gyr Reynosa, Tamaulipas, Mexico

▲ Raytheon Integrated Air Defense Center Andover, Mass.

▲ Snap-on Power Tools Murphy, N.C.

Continuous Improvement E-Newsletter

To read more about 2010's 10 winning factories, subscribe to our free Continuous Improvement newsletter, which features best practices from the 2010 Best Plants winners. Sign up online at www.industryweek.com/newsletters.aspx.

Meet the Winners in Atlanta

Representatives of the 2010 winners will present their stories at the annual IW Best Plants conference, scheduled for April 4-6, 2011, in Atlanta. Look for continuing updates on the IW Best Plants conference website, www.iwbestplants.com.

Applications for 2011 Competition

INDUSTRYWEEK is accepting application requests for the 2011 IW Best Plants competition. Manufacturing facilities in the United States, Canada and Mexico are eligible. To request an application, fill out the online form on the IW Best Plants competition site (www.industryweek.com/BestPlantsProgram).

STAYING POWER

How do you create an 'enduring manufacturing footprint' in a hard-hit North Carolina town? The lean way, of course. ■ BY JOSH CABLE

SNAP-ON POWER TOOLS

A material handler enters newly built parts into a database, which will create a bar-coded inventory ticket for the parts.

Nestled in the Appalachian Mountains, the small town of Murphy, N.C., seems right out of a Norman Rockwell painting. But with the exodus of textile mills and other manufacturing plants in recent decades, Murphy's economy hasn't been a picture of small-town utopia.

That's why Snap-on Power Tools, which occupies a former Levi Strauss plant that shut down in the late 1990s, has a clear vision for its Murphy operations: to "create an enduring manufacturing footprint" in the sleepy town of 1,600 people.

"This area has seen a lot of jobs come and go," explains Todd Rowe, RCI manager for the plant. "So we wanted this facility to be here many years into the future."

With that goal in mind, Snap-on's vision statement describes the plant as a "world-class manufacturing facility specializing in producing a broad range of power tools in relatively low individual volumes."

"We want to be really good at what Asia doesn't want to do," Rowe explains.

The Murphy facility subscribes to lean principles with an almost religious zeal. Since 2003, lean—or "rapid continuous improvement" (RCI) in Snap-on's corporate lexicon—has been the plant's core operational strategy. The plant formed an RCI department in 2004; its nine employees facilitate the plant's lean activities.

Walking the factory floor is a study in lean concepts in action. For example, a redesign of the plant layout vastly improved the flow in the machining area, where dedicated cells organized by component families have replaced a convoluted configuration of process departments. A supermarket with kanban replenishment tags, located between the machining and assembly areas, has replaced the MRP approach to scheduling the production of machined parts.

Visual cues abound at the plant. To ensure that the factory stays clean, older equipment in the machining area is painted white to make dirt conspicuous, while machine guards are painted yellow. Fluids for the machines are stored in color-coded containers.

The plant's andon systems provide cell-by-cell updates of stock-outs, equipment problems and other issues, ensuring that workers don't have to leave their cells to get supplies or flag down maintenance personnel.

The facility's overall lean strategy has three components: benchmarking and training (the plant credits the help of Shingijutsu USA for some of its biggest breakthroughs); linking processes (through material presentation, kanban signals and other lean principles); and optimizing processes (through one-piece flow, setup reduction, total productive maintenance, standardized work and other continuous-improvement concepts).

A good indicator that the plant is on track with its goal of long-term viability: In 2009, the Snap-on Power Tools division shuttered a 68,000-square foot plant in Natick, Mass., and moved its five assembly lines and 38 machine tools to Murphy. Even with these operations, plant manager Brian Spikes estimates that the Murphy plant has freed up 12,000 square feet of space for future assignments—and the plant makes it plain as day by leaving that space open.

"When people from corporate visit, their first question to us is: 'What goes here?'" Spikes says. "We tell them, 'Whatever you want to put here.' We keep reducing our footprint to prove we're a good plant and a profitable plant for them."

› At A Glance

Snap-on Power Tools
Murphy, N.C.

- Employees: 223, nonunion
- Total Square Footage: 168,000
- Primary Product/Market: Professional and industrial power tools
- Start-Up Date: 2002
- Achievements: Reduced order-to-delivery lead time by 55% over past three years; 96% first-pass yield for all finished products; OSHA SHARP site; winner of silver-level North Carolina Shingo Prize for Operational Excellence in 2007

Heavy Duty Pneumatic Tools

Inspired by the operator and designed to fit the application to deliver best in class

PERFORMANCE • ERGONOMICS • EASE OF SERVICE

Snap-on Power Tools, Inc.

Tools Designed To Fit The Application

- Powerful, efficient air motors provide high working speeds for maximum productivity to easily handle a wide range of applications
- Tip valve trigger designs provides maximum operator control
- Comfortable, compact tool bodies with textured grips and anatomic designs keep operators comfortable in extended use applications
- Low noise and vibration levels for reduced operator fatigue
- Modular design and Interchangeable components like rotors, cylinders, bearings and end plates make preventative maintenance easy and reduces the number of spare parts tool cribs need to stock

Drills

With a broad product offering that includes (7) drill configurations and over (20) unique speeds available, Sioux Tools has the right drill for the application.

Assembly Screwdrivers

With over (100) screwdrivers available in wide range of speeds, torque ranges and handle configurations Sioux has the right tool for any assembly application.

Multiple clutch types including Positive Clutch, Adjustable Clutch, Stall Drive and Torque Control are available.

Impact Tools

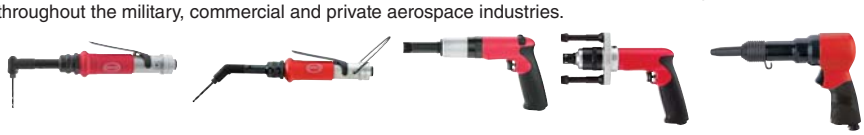
Sioux offers a wide range of impact tools with advanced motor and clutch designs that are engineered for continuous duty in demanding applications.

Finishing

Sioux has a complete offering of finishing tools including over (70) sanders with a patented indexable grip for user customization and maximum comfort. Sioux finishing tools are available in a wide range of configurations with multiple dust collection and throttle options to fit the application.

Aviation Tools

Sioux aviation tools are designed specifically for the critical applications of the aerospace industry. Sioux close quarter drills, rivet hammers, rivet shavers, skin clamp runners and metalworking tools are used throughout the military, commercial and private aerospace industries.



Specialty Tools

With several unique tools like Clinch Nut Tools, Air Routers, Tappers and Reciprocating Saws Sioux has the right tool for your specific application.

Metalworking Tools

Sioux offers a wide range of highly versatile metalworking tools that perform a variety of tasks including cutting, grinding, polishing and deburring.

Efficient motors have the power, working speeds and durability for the big jobs and responsive teasing throttles provide smooth startups and excellent operator control.

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Industry Week's Best Plants Winner

The Shingo Prize for Operational Excellence
In association with North Carolina State University

SHARP Safety & Health Achievement Recognition Program
Consultation: An OSHA Cooperative Program

North Carolina