ConMed: Becoming More Reliable Through LeanSigma® | Case Study

Client

› **ConMed**, a global manufacturer of medical devices and instruments for surgical procedures, uses LeanSigma® to improve customer-centricity and reliability of supply.

Challenge

› High backorders were constraining sales growth. In order to better serve customers and enhance sales growth and profitability, the company needed to improve reliability on the production floor.

Solution

› Take an outside-in approach to the lean journey, focusing on the customers' pain points to determine where to conduct kaizen work, with an ultimate goal of becoming a more reliable supplier of medical instruments.

Results

Productivity increased by more than 20 percent, floor space reduced by 66 percent, and reduced line-side work-in-process (WIP) by 85 percent. Additionally, the company went from a $1.3 million backorder on one product to having 1,400 cases in stock, and was able to accelerate production so orders could be shipped within 24 hours of being placed.

A Leading Medical Device Manufacturer Achieves Cost Reductions While Advancing its Growth Strategy

As a result of several acquisitions, the company had moved product lines into its facilities that were inefficient and wasteful. Rapid growth and servicing the customer took priority over improvement, and the acquired products were brought on line "as is." ConMed ended up with large quantities of work-in-process (WIP) inventory, low productivity, and excessive safety stock to try to guarantee timely delivery to customers.

The situation was ripe for examining processes, with an eye to removing wastefulness and increasing productivity. ConMed chose to embark on its lean journey as a means to grow the business, enhance customer service, and expand profitability for their employees and shareholders.

Lessons Learned: Where to Begin

According to Dave Johnson, Vice President of Global Operations for ConMed, a lean journey needs to be driven from the top down, but executed from the bottom up. Says Johnson, "It's leadership first and accountability second, and then it's execution with metrics."

When deciding where to actually begin kaizen work, ConMed took an outside-in approach, looking for its customers' pain points and focusing on products with supply problems or abnormally high backorders. "We weren't trying to get faster or save money; we were trying to become more reliable," says Johnson. "Our execution was unpredictable and not aligned with customer demand."

Clear and Consistent Results

Objectives
- Productivity +20 percent
- Floor space –40 percent
- Line-side WIP –75 percent

33 Week-Long Kaizen Events Completed in Year 1
- 23 Shop-floor kaizen breakthrough events
- 6 Single-minute exchange of dies (SMED)
- 3 Business process kaizen events
- 1 Managing for Daily Improvement (MDI) event

Results
- Productivity +25 percent
- Floor space –66 percent
- Line-side WIP –85 percent

Additional Improvements
- 38 employees freed up
- Over $2 million saved on clean-room space now available for new production
- WIP reduction saved $1 million
- Increased efficiencies eliminated $500,000 of small equipment

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Committed to Lean

ConMed built an 8,000 square foot Continuous Improvement Center, which includes four CI team rooms and a presentation room with seating for 120 people. Effective education was the most important step taken to prepare everyone for the lean transformation. For ConMed, education began at the top, with an executive Quest for the Perfect Engine event in May 2007. This was followed by 5S training.

"Lean is often viewed as a cost reduction opportunity, but we very much took the approach that it was a growth strategy," said Dave Johnson.

Combined with clear objectives, discipline, and accountability, strong visual management that helps to maintain both sustainability and accountability, and dedicated people throughout the organization, ConMed has found the right ingredient mix to create the kind of results it seeks in order to be reliably responsive to its customers and remain a premier provider of medical and surgical devices.

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Improved Reliability Through Visual Management & Accountability

- **Abnormality Response —** State-of-the-art visual management system installed, which includes Andon lights for abnormality management and electronic messaging to responsible parties.
- **Line-side Kiosks work cells** to track their performance metrics.

- **SQDC Training —** Explanations of basic lean topics are placed where anyone can easily view them.
- **Touch-Screen Displays —** SQDC wall monitors keep morning walk-through activities outside of the clean rooms and enable any employee throughout the plant to monitor any production line within the plant.

- **Morning Walk-Through "Status" —** Documented on a spreadsheet listing each production line, the Andon status of that line, an area for explanation of the Andon lights, and the person responsible for that line.

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02/2009