



From the GBMP Lean Case Study Library (CS No. 101)

ABnote: Security with Efficiency
***Lean Training Outcomes include 150% Increase
in Throughput & a 75% Increase in Cash Flow***

Originating in 1795 and with roots tracing back to Paul Revere of Boston and Jacob Perkins of Newburyport, Massachusetts, American Banknote Corporation (www.abnote.com), and its local division, ABnote North America, are premier and trusted providers of secure transaction solutions, printing, and related services. Located in Boston, Massachusetts, ABnote is a leading North American supplier of plastic cards for secure identification, documents and payment solutions. Primary products include gift, loyalty and membership cards, debit and credit cards, identification, license, and facility entry cards, and secure documents such as savings bonds and stock certificates. Operations are currently expanding to include smart cards and other related high technology products. ABnote is also the exclusive distributor of stamps for the U.S. Postal Service.

ABnote Boston operates out of a 100,000 square foot facility and employs approximately 200 people. The company recognizes the value of investing in its employees, and processes, in order to remain competitive not only in the current market climate but also to provide training to a tenured workforce which could benefit from contemporary operating philosophies. Mike Wanyo, VP of Lean Programs and IT, applied for a Massachusetts Workforce Training Grant Program, partnered with GBMP, and was awarded a grant to introduce and train their workforce on Lean Manufacturing Techniques.

One of the company's strategies is to focus on their *ID Value Stream* which produces driver's licenses and other IDs. While this book of business is approximately 10% of the total volume of plastic cards produced, it accounts for approximately 25% of the company's revenue due to the complexity of ID cards. The goals of the project were to improve customer service, decrease lead times, and increase efficiencies through the elimination of waste. ABnote had to "learn to see".

While preliminary efforts were already underway, GBMP Continuous Improvement Manager, Bruce McGill, began working with ABnote to help them understand how lean principles, systems, and tools could help define, refine, and improve their results. The training would allow employees to become more productive and the company more flexible in serving its customers' needs. Bruce coupled lean education and training with hands-on practice within ABnote's processes so that employees would learn to work together as a team, identify key opportunities for improvement, and educate themselves while creating added value both personally and organizationally. Mike had this to say about ABnote's work with Bruce and GBMP:

“The lean program, from our perspective, has been a huge success so far and we anticipate it getting even better as we move further into it. The timing is right to match education with what is actually happening on the shop floor right now. Although we started by targeting a high visibility value stream/product line, we included people from each department and the “gospel according to lean” is spreading enthusiastically. Bruce is doing a fantastic job of keeping people engaged, presenting and explaining the subject matter, and is not afraid to ask difficult questions. Our Value Stream Mapping training was extremely timely and he eloquently and diplomatically helped us negotiate some very political minefields. Bruce is a welcomed part of our improvement metamorphosis! We are very thankful for the opportunity to work with GBMP and look forward to getting more of our team involved with lean and to see other success stories as we progress.”

ABnote has completed several VSM exercises and they have targeted 12/30/11 as the date to have their future state implemented. To date significant ID Value Stream improvements have resulted in a 50% reduction in lead time, a 95% on-time delivery rate, an 80% reduction in WIP inventory, a 45% increase in yields, a 90% reduction in steps to produce, an 80% reduction in manufacturing square footage, a 150% increase in through-put, and a 75% increase in cash flow!

ABnote has also put a unique spin on their educational journey. They have formalized their continuous improvement initiative, known as “PEP”. PEP is the acronym for their Performance Enhancement Program and it stands for “Pride in all we do”, “Efficiency through education”, and “Profitability from customer dedication and accountability”. They have created PEP University and issue diplomas designed and printed in their own facility that are given to all employees who complete GBMP’s training. ABnote has also gone one step further and issues quarterly “PEP Dividends” to all employees based on the results of sustainable CI efforts.



“ABnote is serious about thinking differently,” according to GBMP CI Manager Bruce McGill. “They recognize that lean is good for employees AND for customers. And, they understand that sustainable change must come from their people, by allowing them to quickly apply what is learned through education and training in their own processes. I expect them to continue to make good gains as they use lean methods such as Value Stream Mapping to uncover more opportunities to strip non-value-added activities from their daily work.”

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