



From the GBMP Lean Case Study Library (CS No. 19)

Kanban System provides significant savings and benefits to Expansion Tank Manufacturer

Flexcon Industries USA, headquartered in Randolph, Massachusetts is a leading manufacturer of pre-pressurized diaphragm expansion tanks for water well, water pressure boosting, reverse osmosis, heating, and thermal applications. The company is the second largest producer of diaphragm tanks in the Western Hemisphere. Through a grant from the Massachusetts Workforce Training Fund, Flexcon employees worked with Bob Elliott of the Greater Boston Manufacturing Partnership (GBMP) to apply continuous improvement principles and tools to improve their work processes. Employees began with a one-day class called Introduction to Continuous Improvement, followed by a two-day 5S (workplace organization) class, and then participated in a two-day Kanban class to learn how to set-up pull systems to signal replenishment of parts and materials based on customer usage. As a result of the training Flexcon set up several pilot parts on a Kanban system in the late summer of 2008 and the company has continued to add additional components to their Kanban program with good ongoing results. Below is a summary of the initial project activities and outcomes.

Kanban Project Summary

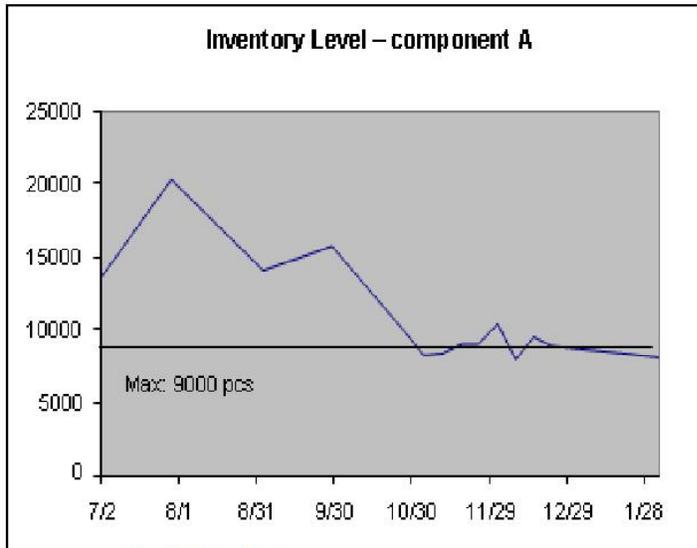
The Kanban project goals were two-fold:

- Eliminate stock outs on components required on the composite production line
- Reduce component inventory levels

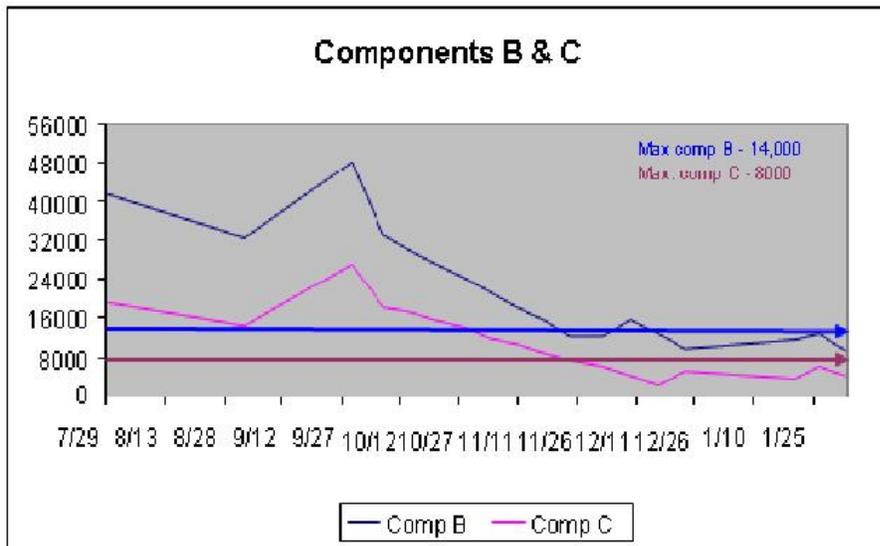
Results:

- Flexcon has experienced ZERO stock outs on items placed on the Kanban system since it was set up.
- Inventory dollars for initial Kanban items have been reduced by more than \$70,000, well below previous maximum levels.
- Flexcon has seen a dramatic improvement in time wasted "moving things around".
- The Kanban system provides space for everything and ensures the company does not have too much inventory to store in designated areas.
- Flexcon has set up a system to visually track progress on inventory reduction. The charts below are examples for two different category of parts that are now set up on the kanban system:

As a result of their positive experience with the initial pilot of the Kanban system, Flexcon went on to add composite corrugated materials to the Kanban system. These particular items were considered to be the most difficult components to plan and were frequently out of stock.



Began Kanban in late August



Began Kanban in mid-September

For more information on Flexcon please visit their website www.flexconind.com
 For more information on GBMP please visit www.gbmp.org

