



Continuous Improvement Both Accelerates and Eases Growth at Hub Pen Company

A GBMP Client Case Study

Hub Pen Company, located in Braintree, Massachusetts imports specialty writing instruments and imprints them by silk screen or laser engraving with company logos and other customized inscriptions. According to the Promotional Products Association International (PPAI), from whom Hub Pen has received multiple supplier awards, 79% of people use the promotional pens they receive from a business.

In 2013, Hub Pen received a Massachusetts Workforce Training Fund grant, administered by the Commonwealth Corporation. The grant supported training in Lean and Continuous Improvement methodologies which was delivered by the Greater Boston Manufacturing Partnership (GBMP). At the beginning of the program, the company created a *Lean Manufacturing Three-Year Strategic Vision* which called for a 50% increase in sales, a 50% reduction in scrap, a 30% increase in productivity and 100% employee participation in the initiative. The company has met and surpassed most of these goals.

As a result of the training, weekly huddles take place at both the departmental and managerial levels. At each department's meeting, progress toward goals is reviewed and problems and potential improvements are discussed. At the managerial level, the group assesses Quality, Service & Costs, and Delivery, Sales, Safety and HR metrics.

During the course of the training, 21 employees received their Six Sigma Green Belts and 41 received Yellow Belts, demonstrating their knowledge of Six Sigma measures and tools. This knowledge has enabled employees to conduct their own Kaizen improvement processes. One such initiative set out to improve the sales order flow time from order entry to shop. A team of customer service employees, with 50+ years of experience between them, analyzed hundreds of orders to identify internal, and external, causes of lag time. In the end, they were able to reduce the time by 47%. The focus on service at this level contributes to more than 80% of Hub Pen's orders coming from repeat customers.

Steve McDonald, Graphics Production Manager, appreciated the opportunity to earn his Six Sigma Green Belt. “I was always interested in statistics and measures but was flying by the seat of my pants. Now, because of the green belt training, I have the proper tools and can uncover the real data to support decisions and improvements.” Raising the accuracy in his department led to reducing the art approval process from 3 days to just about 1 day. Steve has also been better able to track peak and non-peak times. He uses off-peak times for cross training and implementing new procedures.

Another innovation which grew out of the continuous improvement work was Hub University, a day of multi-departmental training for Hub’s Multi-line Reps (MLR’s), who represent the company to external customers. As part of the coursework, the reps and internal managers had the opportunity to run the silk screen and laser engraving machines in order to develop an appreciation for the challenges of the job and see how time consuming last minute art revisions can be.

David Borgatti, Production Manager, observed that “The biggest change we made was adding structure.” He instituted a visual management system of operator flip charts which helped with language barriers. Supervisors can see at a glance whether an operator needs more pens or is having difficulty with a machine. The system also tracks the progress of orders enabling easy re-distribution of work.

Hub Pen’s improvement metrics aren’t just impressive in and of themselves, they are essential to managing a high performing business. Hub keeps tens of millions of pens in stock comprising over 1000 different variations. They process thousands of orders and ship many millions of pens each week.

National Sales Manager, Andy Arruda has been at Hub Pen for five years and has seen sales more than double in that time. He said, “Our growth doesn’t feel crazy, it’s been digested properly; continuous improvement both accelerates and eases growth.” He also pointed out that everyone helped with the improvement initiatives: “Everyone has played a part including providing back up for implementation teams.” One hundred percent employee participation in improvement is the most important measure of all.

It’s not just the business owners and customers who have benefitted from these changes, employees have as well. The improvement work has resulted in promotions from within, less turnover and more new jobs. Ken Phu, VP of Technology said, “In my time at the company,

orders have increased 50% but people are less stressed now than when we weren't doing as much business.”

Ron Pujalte, GBMP Continuous Improvement Manager, said of his experience: “The Hub team truly understands the importance of continuously improving their processes in order to satisfy their customers. It is always a pleasure to stop in and see the creativity of the entire team working with the easier, better, faster and less expensive mentality.”

Madhu Shenoy, Hub Pen's Lean Manufacturing Manager who initiated the training said: “As a Hub Pen Company's CI Leader, I am providing leadership training and promoting Lean principles and culture. This initiative creates beneficial, mutually dependent relationships with customers, employees and suppliers.”

Hub Pen Company's President, Joseph Fleming, couldn't be more pleased with the results. “The greatest thing about our association with GBMP is that we now have a much more engaged workforce. Before GBMP, I was a little naïve, thinking our work force was fully engaged - and it was engaged to some extent. Then GBMP showed us the all the roadmap of how to share thoughts and ideas of how to make things better and there was a flood of really great ideas from all corners of our company. We can't thank GBMP enough.”

General Manager Robert McGaughey is equally enthused. “I am elated with the results we have received so far from our Lean journey with the assistance of GBMP. Each department has seen a dramatic increase in productivity from instituting the small changes we learned in the classes. GBMP has given us the tools to be successful in our Lean journey and I envision great accomplishment in the upcoming years.”

For more information about Hub Pen Company please visit: www.hubpen.com

For more information about GBMP please visit: www.gbmp.org

For more information about the Massachusetts Workforce Training Fund please visit: www.commcorp.org