



## *Southern Minnesota Chapter*

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Southern Minnesota APICS Box 122 Owatonna, MN 55060

<http://www.apicssomn.org>

### **\*\*\* MARCH TOUR RESCHEDULED \*\*\***

We have rescheduled our March tour to Monday, April 17<sup>th</sup>. Since this will be our second event of the month, we have elected to have this evening be a tour only meeting. No dinner is planned. Again, we will be touring Gauthier Industries in Rochester.

**Tour:**  
**Gauthier Industries, Rochester**

**Dinner:**  
**No planned dinner for this event**

**Registration: 5:15 pm**  
**Tour: 5:45 pm**

Since this is a tour only event, there is no cost....the tour is FREE! But we do need to know the number of folks planning to attend. So, please make reservations by contacting Bernie Parker at 507-263-3766, ext 5386 or e-mail to [berniep@bergquistcompany.com](mailto:berniep@bergquistcompany.com) by 3:00 pm on Thursday, April 13th.

## ABOUT GAUTHIER INDUSTRIES:

From: *Minnesota Technology Magazine* – *Spring, 2005*

### Up Front Lean Machine Shop

#### **Rochester-based Gauthier Industries finds adaptation is key to increasing efficiency.**

When Gauthier Industries elected to embrace lean manufacturing, it was appropriate that this fabricator of made-to-order metal parts had to forge its own, customized approach.

The Rochester-based firm produces components, stampings, and electronic equipment enclosures. Back in 2001, aided by a Minnesota Job Skills Partnership grant, Gauthier tapped MTI to train 90 percent of the firm's employees in the basic concepts of lean manufacturing. The company formed a steering committee to formulate its next steps toward increased efficiency, but the company struggled at first because it seemed that standard lean components were typically geared toward mass production facilities.

"We saw right away that it wasn't going to fit us perfectly," says Gauthier Project Manager Diane Osland. For example: Lean principals promote the grouping of manufacturing equipment in "cells" so that several machines working on a single product are located next to each other, thus reducing the time that partially finished pieces spend in transit. This concept works great if a plant is producing the same thing, day in and day out, Osland says, but for a "job shop" like Gauthier, it's not practical, since every project can require a different equipment combination.



*Diane Osland, project manager,  
Gauthier Industries*

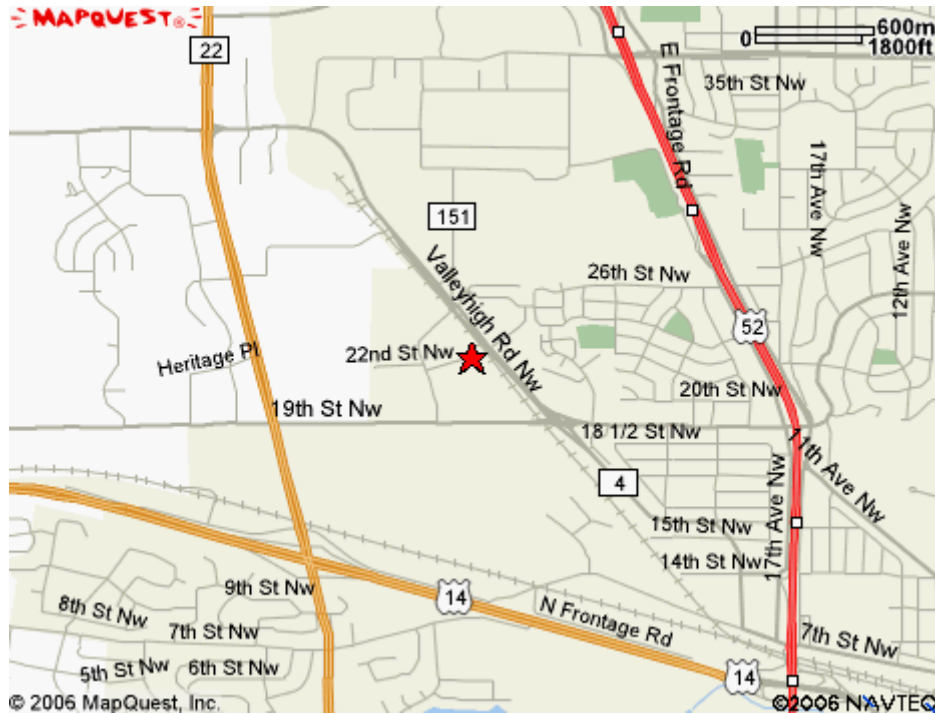
Eventually, Gauthier put its own spin on the cell idea: The firm made its machines mobile. Crews now routinely ferry equipment across a 100,000-square-foot factory floor to accommodate individual jobs, achieving the same kinds of efficiencies that permanent cells generate for other manufacturers. "That was the big light bulb that went on," says Osland. "We can put a machine where we need it for that job and then move it in a couple of hours if we have to."

Gauthier's lean implementations also included the 5S tool—a means of ensuring individual work spaces are efficiently organized—and value-stream mapping, to identify time-wasting processes. The firm is also ISO 9001 certified, having modified some standard quality-assurance procedures to suit its made-to-order work model. "We were one of the first job shops to actually get the certification," Osland says. "It took us almost three years to figure out how to get it to fit to our environment."

The persistence paid off. Gauthier reduced job set-up times by 50 percent, increased sales by 37 percent—from \$8 million to \$11 million—between 2003 and 2004, and cut lead times for customer orders from four weeks to one week. That kind of job turnaround, Osland stresses, is crucial in this industry. "Either you are producing parts in one to two weeks or you are not producing them at all," she says. "That's the bottom line."

—Scott A. Briggs

**Please note that this meeting will be held at Gauthier Industries in Rochester, Minnesota.**



1. From Owatonna/Mankato: get on US 14 East
2. Get off on the Olmsted 22 (or West Circle Drive) exit; turn left (north)
3. Turn right on 19<sup>th</sup> Street NW (east), there is a stoplight at that intersection
4. Proceed on 19<sup>th</sup> Street until you come to the next set of stoplights, that is Valleyhigh Road
5. Turn left onto Valleyhigh (north)
6. Take Valleyhigh until you see Gauthier Industries. It is a dark beige building set back from Valleyhigh.