

## Case Study - Electronic Component Manufacturing Evolving from Lean to Operational Excellence

### Client

Dexter Magnetic Technologies, which designs and fabricates permanent magnets and complex magnetic assemblies from its Illinois headquarters.



### Challenges

Changing its processes in order to support the need to shift from being a component manufacturer to a sub-assembly and assembly provider to deliver more value to customers.

### Solution

Applying the principles of Operational Excellence in both the business side of the operation and on the shop floor to drive autonomous manufacturing.

### Implementation

Previously, Dexter had employed traditional lean tools but decided to bring in training on Operational Excellence to make it easier for the company to design and deploy value streams. Within three months, the company implemented the value streams.

Now the operation, which produces between 300 and 700 different types of products or assemblies every month, runs autonomously, without management intervention. "No one assigns work to operators anymore. The concept of First In, First Out is so ingrained in the people on the floor that they just do it." Employees have control of their day, so management needs to only meet for 30 minutes daily to make sure the product is moving through. That way, they can spend time on more strategic priorities, such as employee development, system improvements and other activities to grow the business. Achieving Operational Excellence has also allowed the company speed to market, giving it a competitive advantage with both existing customers and new customers.



### Results

For Dexter, Operational Excellence is a sales advantage:

- Management now spends just five percent of the time on allocating work to employees and 95% on business growth activities
- With 95% on-time delivery, customers bring Dexter new products because it can complete them quicker
- The company expects to double its sales in five years because Operational Excellence created opportunities for growth in a sustained manner

Read the full case study about the impact of Operational Excellence on the organization from the ground up in *The Lean Management Journal* by [clicking here](#).

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