

Case Study - Fabrication Manufacturing

Hypertherm: Lean Leverage to Compete Globally from New Hampshire

Client

Hypertherm, a New Hampshire manufacturer of advanced metal-cutting systems for use in a variety of industries with more than 1,300 associates worldwide.

Challenges

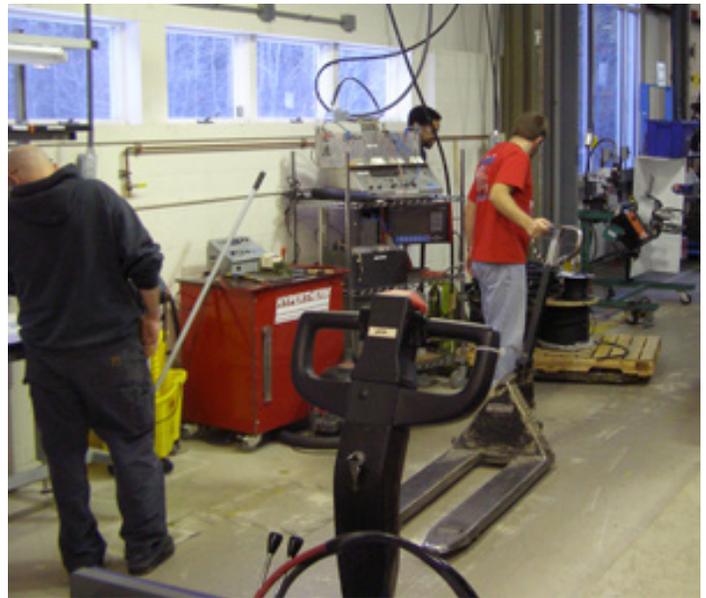
The need for all employees to be involved with delivering the product to the customer and business growth.

Solution

Instilling the principles of Operational Excellence in all employees to establish flow throughout all areas of its operations without management.

Implementation

Hypertherm applied the principles of Operational Excellence to create a self-healing flow that enabled it to build product at the rate of customer demand. Visual signals in fabrication – not priority lists, expedites or management – tell employees what to work on next and whether a breakdown in flow has occurred, or is about to. If flow is abnormal, employees use standard responses to correct it so management becomes involved only infrequently. “Operations gets time; it’s not ignored. It’s that we don’t have to talk about it.”



Associates rearrange equipment during an assembly cell re-layout for improved flow.

In the office, flow is also visual. Customer service can tell if the incoming workflow is normal and, if it’s not, employees follow a process to react. Even in the supply chain signals are generated automatically from the production floor to authorize suppliers to perform work so the right raw material for each day is delivered on time. With less management needed to run the operation, management devotes its time to developing new products and technology, resulting in more than 75 patents.

Results

Hypertherm's focus on Operational Excellence has enabled it to continue to grow globally:

- The company exports 30 percent of its locally-produced product to Asia and 30% to Europe
- Hypertherm has never had a layoff in its 40-plus-year history
- When business growth outstripped the local labor market, it built a training school to hire and train associates to run its high-end machining

Read the case study of Hypertherm's autonomous operations in the Association for Manufacturing Excellence's *Target* by [clicking here](#).

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