



Office Location:
Albuquerque

NEW MEXICO MANUFACTURING EXTENSION PARTNERSHIP (NEW MEXICO MEP) The New Mexico MEP, through its experienced staff of engineering, technology and business management professionals, assists small and medium-sized manufacturing firms implement changes that lead to greater productivity, increased profits, and enhanced global competitiveness. Contact: Carol Sanchez, 4501 Indian School Road, NE, Suite 202, Albuquerque, NM 87110, (505) 262-0921, Fax: (505) 262-9691, Email: director@newmexicomep.org, Website: <http://www.newmexicomep.org>

**THE
MANUFACTURING
EXTENSION
PARTNERSHIP
IN NEW MEXICO**

Manufacturing Extension Partnership (MEP) is a nationwide system of services and support for smaller manufacturers to become more globally competitive. At the heart of the system is a network of affiliated, locally-based manufacturing extension centers. Each center, like New Mexico MEP, is a partnership, typically involving federal, state, and local governments; industry; educational institutions; and other sources of expertise, information and funding support.

S U C C E S S S T O R I E S

Sisneros Brothers Manufacturing Company Captures Extra Profits By Implementing Lean Practices

Sisneros Brothers Manufacturing Co., Inc. (SBM) was founded in 1990 as a sheet metal ducting supplier and installer serving local residential and small commercial construction. Sisneros Brothers Manufacturing originated as a family business of five people working out of a pick-up truck and carrying their machines to the job-site. The company has evolved to a 45,000 square-foot facility in Belen, New Mexico with 45 full-time employees and an annual sales volume of about \$3.5 million.

Work-in-process was piled high in various areas of SBM's spacious 45,000 square-foot facility. The staging areas were full of different components waiting to be commingled to form a complete order, creating traffic jams, increased lead-times, and the possibility of accidental product damage. Rising inventory and excess labor costs eroded the already tight profit margins common in SBM's industry. The company needed help organizing its shop and contacted the New Mexico Manufacturing Extension Partnership (NM MEP) for assistance.

New Mexico MEP introduced lean manufacturing concepts to SBM's management team through its Lean 101 workshop. Lean training helped SBM's President, Martin Sisneros, quickly realize the need to transform production flow to meet the needs of his growing company. New Mexico MEP led SBM through a value stream mapping project, in which all segments of product and information flow are examined to identify wastes that cut SBM's profit margin. The company has since applied lean manufacturing techniques to the targeted areas and reduced its lead times by 50 percent. SBM also increased its profit margins and plant capacity by reducing existing inventory. With an increase in capacity came opportunities for additional growth, and the company has generated approximately \$400,000 in new sales in 2002.

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STATE STATS

DATA* COVERS JANUARY TO DECEMBER 2001

Number of projects completed with firms
211

Number of firms served for the first time
89

Number of firm served
138

Federal cost share for current operating year
\$1,360,800

State/other cost share for current operating year
\$2,721,600

**Data as reported from center*

DATA** COVERS JANUARY TO DECEMBER 2001

Increased sales and Retained sales
\$1,577,075

Client capital investment
\$251,200

Total cost savings
\$388,059

Jobs (created & retained)
43

*** Source: Independent client impact survey*

**For additional information,
contact Dede McMahon 301-975-5020**



Lean Manufacturing Brings Big Changes To Quicktruss

Quicktruss, Inc., founded in 1996, manufactures and markets labor-saving tools for professional painting and drywalling contractors. The company's four employees design, market, package, label, and distribute a small product line of tools and hardware from company headquarters in Farmington.

Due in part to lack of inventory control, Quicktruss struggled to deal with cash flow issues and excessive lead times. Customer pay cycles averaged 115 days. Large amounts of work-in-process (WIP) had negative effects on profit and packaging plant efficiency. A lack of product flow contributed to poor relations with key vendors. Management of vendors, critical to this company, proved difficult. The company's 2000 sales of \$110,000 had slipped to \$7,000 per month by May 2001, and new product testing halted due to lack of funds. Quicktruss needed help solving its production and financial issues, and called in the experts of the New Mexico Manufacturing Extension partnership (New Mexico MEP).

New Mexico MEP met with Quicktruss and determined that a value stream mapping (VSM) project would benefit the company. The entire firm plus its external business assistance personnel participated in this project. New Mexico MEP demonstrated major opportunities to flow product, eliminate WIP, and begin to manage both key vendors and create new capacity for expanding Quicktruss' customer base. The implementation plan from the VSM included strategies to revise bookkeeping methods, change plant layout to increase capacity by 40 percent after reducing WIP by 50 percent, and improve "hiring" of key suppliers to gain cash-flow advantages., reducing pay cycles on receivables by 77 days. As a result, Quicktruss reduced lead times by an average of 60 percent, and increased its sales by \$4,000 per month.