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October 15, 2012

Quest for Perfection Can Be Profitable

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New Mexico businesses that want help becoming more efficient frequently call on the New Mexico Manufacturing Extension Partnership — a nonprofit agency of the U.S. Commerce Department that helps small and mid-sized U.S. businesses create and preserve jobs, become more profitable and save time and money. In New Mexico, where most businesses are small, MEP services are used by doctors' offices, machine shops, small farms and agricultural operations, and businesses that serve the oil and gas industry.

MEP uses multiple techniques to help businesses increase profits by standardizing production and administration to provide continuous improvement that eliminates waste and strives for perfection.

Why perfection

Lean manufacturing theory recognizes that there will always be some degree of product variation but it seeks to minimize aberrations that result in added expenses when products must be discarded or returned to the production line for repair or reassembly. Motorola, in its drive toward perfection in 1986, introduced an idea called Six Sigma based on the letter in the Greek alphabet used to measure mathematical variations from a standard. Motorola aspired to refine its manufacturing process to a sigma rating of six, meaning that 99.99966 percent of its products would have zero defects.

A drive toward perfection is important because variation can decrease the quality of the production outcome in costly real-world ways: 99 percent quality means two unsafe landings at O'Hare Airport every day or 22,000 checks per hour deducted from the wrong accounts.

Perfection also means efficiency. Besides the obvious benefit of having customers who are pleased to purchase a product that performs as advertised, standardization that strives for perfection can dramatically cut time, production costs and waste and improve a company's understanding of its customers' needs. Shaving seconds off any stage of a process can save a lot of money and result in a more competitive product or service and greater customer satisfaction.

System-wide approach

When lean techniques are applied to one area of a process, bottlenecks can appear in other areas and negate any savings that may have been realized by the changes. That's why New Mexico MEP looks at the entire process, beginning with the method and materials used when an order is placed. It analyzes the value stream – the flow of materials and processes that add value to a product.

Activities that don't add value – those customers don't want to pay for – are minimized and streamlined for efficiency. Non-value-added activities such as bookkeeping and transportation may be essential for running a business but since they don't add anything to the product or its selling price, time spent should be kept to a minimum.

New Mexico MEP is part of a nationwide network whose many services include innovation strategies, process improvements and green manufacturing. Quality and lean management programs are within the grasp of New Mexico businesses, as most qualify for financial assistance to attend MEP's training sessions or to receive on-site help applying lean practices from the office to the manufacturing floor.

For more information about New Mexico MEP offerings, visit newmexicomep.org or call (505) 262-0921.

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