

Casey Machine Company, Inc.

Firm Benefits

- Up to 2 weeks reduction in lead time
- 10% sales growth
- 5 percentiles increase in net income
- 25% increase in employment
- \$350,000 investment in new capital

Theory of Constraints Implementation

Casey Machine Company, Inc. is a contract manufacturer of machined parts for the aerospace, medical, pharmaceutical and various other industrial markets. Most components are precise, intricate parts that are produced on modern CNC machines. Founded in 1976, the company conducts manufacturing operations within a modern, single-floor facility of 16,000 square feet in Lancaster, New York. The company currently employs 45 people, including about 33 production workers.



Casey Machine's Pat Obermiller (front) and Jackie Stachiewicz (back) perform deburring operation on high precision component.

Situation

The company's business had become stagnant and was beginning to show signs of decline in some targeted markets that Casey Machine had been supplying. Company management was committed to reversing this trend and expanding the business base by gaining and sustaining a competitive edge in the marketplace. Furthermore, the company recognized the need to bring focus and alignment to both the organization's operations and marketing efforts. Casey Machine's senior management had some prior exposure to the principles and concepts of the Theory of Constraints (TOC). They believed that this methodology could enable them to accomplish the aforementioned initiatives.

Solution

The company contacted Insyte Consulting to help support their efforts in TOC application. Because Insyte Consulting had an on staff "Jonah," who was certified by the Dr. Eli Goldratt Institute, Insyte Consulting had an understanding of the approach needed to apply these concepts with the company's management. The prescribed methodology that Casey Machine followed was to first determine what to change. The next step was to determine what to change to, and the third step was to determine how to cause change to happen. The TOC process enabled the company to recognize not just what was needed, but also understand the methodology and the activ-

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"The ability to consistently focus on the constraint and to base decisions on factors that influence throughput has been critical to the success of this project."
 Pete Szulc, Vice President

Our experience improves your business

ities that supported the overall change. All of these activities were completed with a team approach facilitated by the Insyte Consulting Jonah.

To begin the process, the management team needed to understand the concepts of TOC and how the concepts applied to their particular environment by going through a 4x4 strategic planning process. This process allowed Casey Machine to complete a comprehensive review of all appropriate TOC applications (i.e. what to change) and to develop a detailed strategic plan (what to change to) that was developed through TOC thinking processes. Detailed tactics and an accountability matrix were developed to determine what actions were necessary and who was responsible for implementing the solution that supported the strategic direction (how to cause change to happen). These changes were driven by the Insyte Consulting/ Casey Machine joint team and subsequently introduced to all employees through application on the shop floor and support areas.

Perhaps the greatest challenge confronted was changing the mindset of the ownership team and reaching a consensus of what changes were most required. In conjunction with Insyte Consulting's facilitation, the group was able to identify key performance measures as well as the means for consistently tracking and measuring both performance and impact on the business. Of particular importance was the ability to no longer allow a non-constraint, i.e. a secondary operation, to become a constraint. As a result of this process, Casey Machine has been able to reduce lead times by over two weeks on average. The ability to better serve its targeted customers has enabled the company to increase sales by 15% and improve overall profitability by 5 percentiles. This growth has also resulted in a 25% increase in employment and an increased capital investment of \$350,000 for business expansion.