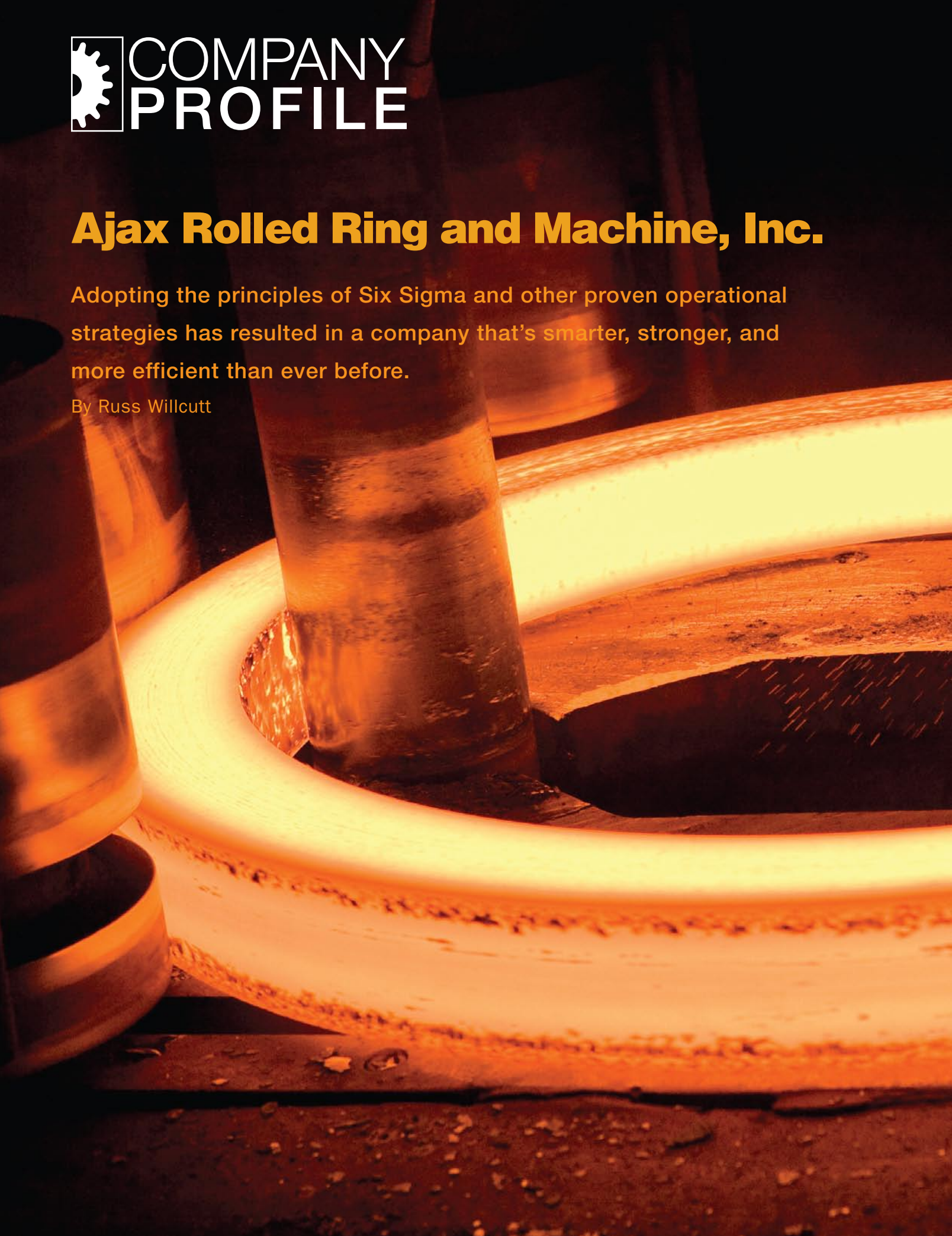


Ajax Rolled Ring and Machine, Inc.

Adopting the principles of Six Sigma and other proven operational strategies has resulted in a company that's smarter, stronger, and more efficient than ever before.

By Russ Willcutt



Many companies undergo major transformations over the years, but it's usually the result of an acquisition or a new market direction. And while Ajax Rolled Ring and Machine has certainly experienced many changes since it was founded in 1933, its most recent improvements are remarkable for at least two reasons: they involve a radical reworking of the company's very philosophy, and it all occurred during the most severe economic downturn in recent history.

"We had experienced a record-setting year in 2008, and then the bottom fell out," according to Justin McCarthy, executive vice president of sales and marketing. "So we decided to look into how we could go about emerging from the recession stronger, more flexible and efficient, and more unified in our desire and ability to satisfy our customers than ever before."

As an example of the strong relationships it has built with its customers the answer came from one of its best, GE, which sent its "lean team" to help Ajax adopt the principles and practices of lean manufacturing. At the same time the company chose a group of 17 individuals made up of the CEO, vice presidents, department managers, and shop supervisors to undergo Six Sigma training—the quality management program developed by Motorola in the early eighties. "We obtained a grant through the South Carolina Manufacturing Extension Partnership, and in cooperation with a local technical college these 17 people, including myself, achieved the Six Sigma 'Green Belt' level," McCarthy says. "As important as capital investments may be, our CEO Simon Ormerod understands that it's equally critical to invest in your human assets. So that's what we've done, and the results are abundantly clear, and in more ways than even we had expected at the beginning of this journey."


At the core of this training is the DMAIC process, which stands for "define, measure, analyze, improve, and control." The manifestation of this exercise is the development of a project charter in which everything from challenges, goals, and benefits are clearly outlined in advance, providing the teams assigned to the project with a plan to follow in which efficiencies can be maximized and defects minimized, if not eliminated. As one example of such a project, setup times on a particular machine were reduced from 45 to 15 minutes, which is an impressive time savings as anyone involved in manufacturing knows. Another project involved obtaining bronze-level certification from one of its biggest customers—Caterpillar.

"We are a volume supplier to Caterpillar, so at the level we're shipping rings to them the requirement was that we could only have one scrap ring a month," McCarthy explains, adding that the company sent representatives to assist Ajax in meeting their goal. "We also had to go six months without any defects and have a 95-percent record of shipping

on time, and there's no way you can achieve that level of quality without streamlining every single step in the process."

In addition, Ajax has adopted another organizational methodology known as "5S," representing five Japanese words: seiri (sorting), seiton (straightening, or setting in order), seiso (sweeping, or systematic cleaning), seiketsu (standardizing), and shitsuke (sustaining the discipline). First tested on the shop floor, this approach has proved so beneficial that it will soon be adopted in the administrative offices as well.

As could be expected in this new culture so dependent on establishing metrics, the company needed proof that its efforts were having a measurable effect. The results of a campaign to win back customers it had lost for various reasons were impressive, with 85 reactivated and nearly as many new ones captured since 2008, and the company also contracted an independent marketing firm to conduct a customer satisfaction survey. The percentage of customers who were pleased with the relationship and planned to continue working with Ajax was in the high nineties.

According to McCarthy, this new approach to doing business has required an incredible expenditure of time and effort, but it has resulted in a rejuvenated organization. "We once had the traditional pyramid structure here, with executives at the top, but now we have an inverted pyramid where the employees are empowered and our management team is responsible for supporting their efforts and creating an environment in which they can excel," McCarthy says. "So any success that we enjoy is truly the result of a team effort, and everyone here can be extremely proud of the important role they play in helping us live up to our new motto, which is 'Forging a Circle of Trust.'" 

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