

## PROCESS IMPROVEMENTS LOWER INVENTORY, CUT COSTS

**ABOUT TESSIER'S.** Tessier's, Inc. offers services in industrial mechanical contracting, sustainable HVAC building design, sheet metal fabrication, and specialty welding. With close to 190 employees, the company provides clients with exceptional service for all their heating, ventilation and air conditioning needs. Tessier's is based in Mitchell, South Dakota, and has branches in Sioux Falls and Rapid City.

**THE CHALLENGE.** Tessier's takes a proactive approach to identifying a problem before it becomes a reality, a trait the company calls the "Tessier's Difference." By applying the Tessier's Difference throughout the plant, company leaders realized it was time to take a second look at their processes to find more opportunities to eliminate waste.

**MEP CENTER'S ROLE.** Tessier's contacted their local NIST MEP affiliate, South Dakota Manufacturing & Technology Solutions (SDMTS), for assistance in evaluating the steps needed to reduce costs and non-value added activities throughout the facility. SDMTS quickly analyzed the company's needs and decided the best route was to train employees on the principles of Lean Manufacturing and dive into process mapping.

Over the course of a few months, SDMTS worked with Tessier's to eliminate overproduction and inventory. By adjusting their processes, Tessier's reduced its inventory by 25 percent. A 5S workplace organization project (Sort, Set in Order, Shine, Standardize, and Sustain) reduced write-off, and profits increased as efficiency improved.

In addition to creating more space and removing waste, the company made the decision to build its new products in-house. With these cost savings, Tessier's looks forward to continuing to lead in the HVAC industry.

**"With the training I received in their Lean program and the help from MTS on process mapping, we have been able to lower our cost of inventory by 25 percent."**

-Chuck Jones, Purchasing Inventory Manager

## RESULTS



Reduced inventory by **25%**



Reduced write off to less than **3%**



Decided to build new products in-house, resulting in **25%** cost savings

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