

LASERING IN ON LEANER PERFORMANCE

ABOUT NEWPORT CORPORATION (ILX LIGHTWAVE). Founded in 1986, Bozeman based ILX Lightwave Corporation has 60 employees and designs, manufactures, and sells a broad range of photonics instruments, including laser diode controllers and drivers, temperature controllers, and optical power and wavelength meters. In 2011, Newport Corporation of Irvine, California purchased ILX for \$9.3 million. In April 2016, MKS Instruments, Inc. (NASDAQ:MKSI), a global provider of technologies that enable advanced processes and improve productivity, acquired Newport Corporation. ILX continues to operate in Montana and maintains market leadership through the relentless pursuit of quality, performance, and innovation.

THE CHALLENGE. In late 2016, the company forecasted an increase in demand of approximately \$2.5 million for laser diode products manufactured in Bozeman, Montana. To meet this demand, ILX needed to increase production capacity without increasing overtime, hiring new staff, or physically expanding the Bozeman facility.

MEP CENTER'S ROLE. MMEC has been working with ILX since 1996, assisting with lean services, quality systems, and compliance (ISO) projects. To address this newly forecasted demand and continue with their lean transformation, ILX partnered with MMEC to conduct a four-day Kaizen Blitz event focused on one line of instrumentation production and on further developing ILX's lean leadership skills. A team of eight MKS team members came together in the gemba to assess, prioritize, and implement improvements. Approximately half of the identified improvements were implemented during the Blitz, including labeling of work stations and removing unused tools. The team listed 20 'lessons learned' and produced a final working document (kaizen newspaper) of 31 outstanding action items (improvements) assigned to team members to be completed by the following quarter. All action items, including more disciplined use of 5S methodology, point-of-use-storage, better information quality, visual management, updated standard work, (cross) training, and reassigning material handling away from production workers were implemented on schedule. And the benefits didn't stop there. Results and ideas gained from this project were utilized and repeated in other product lines to meet increased demand. "The Kaizen Blitz was a huge success," said MMEC's Senior Business Advisor Alistair Stewart. "Three of the ILX team members had completed an MMEC training program earlier in the year. They went on to successfully pass the Society of Manufacturing Engineers (SME) Lean Bronze certification exam on their first attempt. It was very rewarding to see their leadership skills in action."

"Working with MMEC has enabled us to reach and exceed the goals set by our parent company. They are a great resource for local manufacturers in a small community."

-Kory Graham, Manufacturing/Operations Supervisor

RESULTS



\$90,000 in cost savings



\$18,000 in new investment

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