

A NEW BUSINESS MODEL FOR J&R MACHINE LEADS TO GROWTH

ABOUT J & R MACHINE, INC. Founded in 1992, J&R Machine Inc. got its start by manufacturing simple items such as bushings and pins. Over time, the company has adopted lean manufacturing and continuous improvement principles and shifted to producing more complex parts and has become a provider of a variety of value-added services. J&R Machine operates a lone facility, which totals about 30,000 square feet after a recent expansion, in the city of Shawano in Shawano County, Wisconsin. The company has about 30 employees, many of whom are under the age of 30.

THE CHALLENGE. After experiencing steady growth for several years, J&R Machine began experiencing a dramatic drop in business, putting the company in a precarious position and fighting to survive. A thorough examination of the company's business model revealed that it was producing commodity items that competing manufacturers in China and elsewhere could manufacture at a much cheaper cost. Realizing it needed to go in a different direction in order to survive, J&R turned to the Wisconsin Manufacturing Extension Partnership in an effort to diversify its business and make it less susceptible to low-cost competition.

MEP CENTER'S ROLE. The WMEP assisted J&R Machine in making productivity changes on its shop floor, including implementing a more consistent manufacturing process and making equipment utilization more effective. The implementation of lean manufacturing principles enabled J&R to consolidate equipment, making room for newer technology.

"Whether your business is on the brink or you're looking to improve margins or to improve employee performance, I highly recommend the WMEP."

-Timothy Tumanic, President

RESULTS



Reduced direct labor costs from **18** to 10 percent



Return to revenue growth mode, annual sales of **\$10M**



Shift to producing more complex parts, away from commodity-type items



Created additional manufacturing capacity



Move to more value-added services & operations to be less vulnerable to foreign competitors

CONTACT US



2601 Crossroads Drive
Suite 145
Madison, WI 53718



(608)729-4151



www.wicmp.org

