

CUSTOMIZED COSTING SOLUTIONS GENERATE MORE PROFIT

ABOUT ATS PRINTING. Founded in 1989, Advanced Tex Screen Printing, Inc. (ATS Printing) started as a single-person start-up operating out of a 1,200-sq.-ft. shop in Hemlock, Michigan, providing customized apparel to local and national customers. Following rapid expansion, ATS Printing moved to Merrill, Michigan, to add additional space and equipment, including an automatic printing press, embroidery equipment and a warehousing facility. In 2017, ATS celebrated the new year by moving to its current location in Bay City, Michigan. The new facility is 60,000 sq. ft. and employs more than 70.

THE CHALLENGE. ATS has experienced rapid growth over the past three years. Moving into a new facility provided space for growth, but also brought challenges with layout and flow. ATS met with the Michigan Manufacturing Technology Center-Northeast (The Center-NE), part of the MEP National Network™, to discuss their growing pains and challenges with keeping the team aligned.

MEP CENTER'S ROLE. ATS, working with The Center-NE, determined it was time to rethink their processes and improve operational efficiencies. ATS and The Center-NE decided to first create an operations plan through The Center's Small Business Operations Planning (SBOP) program. SBOP identified areas of stress within the business, including the possibility that they were losing money on smaller "one-off" orders.

To better understand the true cost of these small orders, The Center-NE team determined costing rates of activities using the previous year's data. They then worked with the ATS leadership team to develop a customized costing model that would determine the true cost of every activity, along with a quotation model that would determine the true cost of every product and service. The team also developed a "what if" scenario to evaluate the impact of business decisions on the costing model. ATS leadership received one-on-one training with The Center's project manager on how the model works as well as how to cost their individual projects.

By better understanding their costs and processes through value stream mapping, the team was able to identify areas that needed improvement. After implementing Kaizens to improve processes, reduce changeovers and streamline flow, the team was able to greatly reduce their manufacturing costs and improve their manufacturing throughput.

"The outside help from The Center-NE helped shed light on how to improve efficiencies and gave us a great understanding of our costs, which led to increased profitability."

-Dennis Barthel,, President

RESULTS



40% improvement in productivity with increased throughput



50% reduction in changeover costs



Identified 25% of customers as not profitable

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