

KEEPING THEIR COOL IN THE REFRIGERATION BUSINESS: HCR, INC., USES LEAN STRATEGIES TO MANAGE RAPID GROWTH

ABOUT HCR INC. HCR, Inc., knows a thing or two about maintaining temperatures in big spaces. HCR produces air curtain systems that act as an invisible door providing an unmatched thermal barrier keeping warm and cold areas at the desired temperature while allowing efficient movement of people or products through large doorways. The application of world class thermal airflow analysis and design paired with a keen focus on lean operational excellence has provided customers like Costco, Amazon, & Walmart an innovative solution at a competitive price.

President Pete Smith's father George Smith brought the business from the East Coast to Lewistown, Montana, in 1991, where it has grown into a \$13 million manufacturing operation with more than 35 employees. HCR's products are sold and installed throughout the country, with a growing export demand as well. Next time you are in a Costco, check out their product in the doorways of the produce and dairy coolers.

THE CHALLENGE. Much of HCR's dramatic growth has occurred in the last five to seven years. The company's early efforts to increase production revealed a number of challenges, particularly in managing capacity, workforce, and efficiency.

MEP CENTER'S ROLE. With an eye toward long-term, continuous improvement, HCR started their lean journey in 2008. To increase their understanding of lean and implement the principles throughout the organization, company leaders engaged with MMEC, part of the MEP National Network™, as a training and consulting partner.

MMEC developed customized lean training for the leadership team and all employees, which helped to build the internal knowledge and skills needed to improve operational efficiency. For example, the changes were particularly effective in identifying ways to maximize floor space utilization. In 2019, HCR enjoyed a record sales year with a substantial improvement to the overall business profitability due primarily to the efforts of lean implementation.

"MMEC's customized training helped us engage all of our employees in implementing lean production methods; it really helped everyone work efficiently and maintain product quality during a period of high growth in product demand."

-Pete Smith, President

RESULTS



\$5,000,000 in new and retained sales



9 jobs - 6 retained/3 created



\$1,009,000 in cost savings



\$134,000 in new investment

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