

ROLLING OUT TRANSFORMATIONAL CHANGE

ABOUT SCHERER CORRUGATING & MACHINE, INC. The Scherer Corrugating and Machine was formed in 1994 in Tea, South Dakota, when a local machine shop was looking to sell off a portion of their facility focused on reconditioning mill rolls. At the time, Bob Scherer had only a part-time employee and a vision. Flash forward 25 years and Scherer Inc. has become a leading manufacturer of after-market rolls and processors for international brands like John Deere. Since that beginning Scherer has extended their product lines, undergone major building expansions, and surpassed 60 employees.

THE CHALLENGE. Growth does not come without challenges and after increasing their product and service lines Scherer recognized the need to increase their workflow productivity. For help, they contacted South Dakota Manufacturing and Technology Solutions (MTS), part of the MEP National Network™.

MEP CENTER'S ROLE. MTS assisted Scherer with value stream mapping processes to identify current state and future state. Value stream mapping allowed Scherer to see gaps in the company's processes and opportunities for improvement. After completing the value stream map, Scherer used Kanban methodology to visualize workflow, identify bottlenecks, and improve flow to increase throughput and reduce cycle time.

The gradual improvements paid off. Scherer altered plant layout and the material handling of the kernel processor roll assembly and was able to increase production capacity by 250%. Scherer applied the same lean principles to their kernel processor assembly and increased their production by 150% while reducing their floor space by a hefty 45%. The plant restructure saved Scherer valuable floor space, allowing the company to hold off on building another facility. Another impressive lean accomplishment for Scherer was developing standardized work procedures for key processes to help expedite training and cross-training employees. Along with saving production space, Scherer was also able to drastically increase on-time delivery. MTS helped Scherer plan for the future by working alongside company staff to develop a strategic plan as well as a succession plan.

The future holds great things for companies that value innovation and continuous improvement like Scherer. Scherer will continue to grow with the tools and efficiencies MTS helped integrate into their facility.

"Our experience with South Dakota Manufacturing & Technology Solutions has been outstanding. They have provided us guidance in almost every aspect of our business from manufacturing and inventory control to strategic planning and project management. They have truly helped us become a better company so we can better serve our customers and continue to grow successfully and strategically long into the future."

-Jason Schiebout, VP of Operations

RESULTS



Changed the material handling of a roll assembly, which increased production capacity by **250%**



Kernel processor assembly increased production by **150%** and reduced floor space by 45%



On-time delivery increased from **46%** to 99%



Decreased roll inventory by 50%, which resulted in a **\$1,000,000** savings



Implemented a morning market board process to escalate problem-solving and employee morale

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