

FAMILY-OWNED MANUFACTURER BRINGS NEW JOBS TO
HOMETOWN

ABOUT HORIZONTAL MACHINE & MFG INC. Linda Scher took over as CEO of Horizontal Machining & Manufacturing Inc., (HMMI), based in Huron, South Dakota, in mid-2017 following the death of her father, Earl Nordby, who had founded the company. She and her sister are co-owners. "My dad was an entrepreneur through and through," Scher said. "He loved manufacturing and could see the possibilities and kept adding and adding and adding." From 1997 to his death in 2016, Nordby built HMMI into a 100,000-square-foot one-stop shop for contract manufacturing of large and heavy steel products, including fabrication, welding, machining, painting, and complete assembly. The 100-person company serves multiple industries but currently, most of its customers are in the mobile crane business.

THE CHALLENGE. After taking over as CEO, Scher realized that if HMMI didn't make some changes, dozens of jobs in her hometown could be at risk. She knew her family business needed some help - and that she couldn't provide it alone. MTS, or South Dakota Manufacturing & Technology Solutions, part of the MEP National Network™, began working with HMMI to assess the company's needs.

MEP CENTER'S ROLE. After an initial mapping exercise, MTS helped the company go from a 12-week lead time to a six-week lead time. In addition to value stream mapping and project work, all the company's managers went through the MTS lean certification course, and the leadership team took the Lean Leadership for Supervisors course with MTS. "MTS does such a beautiful job training everyone," Scher said. "And now we've gone one deeper to include the leads on the floor, so they're helping us train our next generation of managers, plus making sure we have a uniform onboarding and training process."

All these efforts continue to produce results, she added. In February 2022, deliveries in HMMI's most backlogged area increased by 47% after MTS was brought in after just one month. "Being able to keep those jobs in Huron was so important to me and my sister and our family legacy," she said. "HMMI has good people who have worked hard building this company, so for it to have to close would have been heartbreaking."

"When we began with MTS, we weren't profitable, and now we are. We've done an employee survey the last three years, and every year the feedback gets better. This was our best year yet despite the fact that last year was stressful with supply chain issues. Having MTS step in and help us find order on the floor helps with morale, which means greater retention of our skilled workforce. We started the year around 100 people and hope to end the year with 120 people, so we're creating jobs. We could not have done it without MTS. They know this stuff. They can walk in, help us identify problems, and know they're solvable."

-Linda Scher, CEO

RESULTS



23 new or retained jobs



\$3,000,000 in cost savings



50% of sales revenue retained



Most backlogged area increased by 47% in one month after process improvements



Formalized leadership training with supervisors and increased uniformity in onboarding

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