

# Talent

People practices driving business results



## New North Workplace Excellence Award

An award of the Attract, Develop and Retain Diverse Talent Committee of New North

Application Part 2 - Submission Form

Sponsored by:



## Section 1: Your organization

Organization name: Mid-States Aluminum Corp.

Application completed by (Name & Title): Sue Roettger; Director of Human Resources

Contact person (Name & Title, if different from above): \_\_\_\_\_

Contact person phone: 920-926-7337

Contact person email: sroettger@midstal.com

Business address (in the New North region)

Address 1: 132 Trowbridge Drive

Address 2: \_\_\_\_\_

City, State, Zip: Fond du Lac, WI 54937

Headquarters address (if different)

Address 1: \_\_\_\_\_

Address 2: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

How did you hear about this award: \_\_\_\_\_

Type of Ownership:     Public         Private         Other, specify: \_\_\_\_\_

Industry: Manufacturing

Number of employees at your location(s) in the New North region: 225

Year organization was founded: 1965

Chief executive or highest-ranking senior manager within the New North: Steve Peterson

Briefly describe your organization and scope of services and/or products (4 or 5 sentences):

Mid-States Aluminum Corp. is a privately held manufacturing company that produces aluminum extruded products. Mid-States aims to deliver completed manufactured goods by adding value to the extrusions through fabrication, anodizing, and assembly capabilities. The company prides itself on short lead times, superior customer service, and expert engineering support. Mid-States is committed to driving down costs through their Lean Six Sigma employee engagement program and activities.

## Section 2: Tell us your story

In the following three questions, tell us your organization's story for locations in the New North Region. We want to know about your use of people practices to create successful business results, using the three elements of

**SAR: Situation, Action, and Result.**

1. **Describe the “before” situation that led you to change or create new, positive people practices.** This situation may have been a unique challenge or opportunity your organization faced, or it may be that the strategy was a by product of your organization's culture. (750 words or less)

*Examples: high employee turnover, new growth opportunity for the company, changes in your industry or market, need to find and retain the best employees.*

Mid-States Aluminum Corp. was founded on the core belief of Progress Thru People™. As reflected in this belief, there has always been a passion for continuous improvement via the involvement of people, however, over the years this has required revamping in order to keep it fresh. Initially under the entrepreneurial direction of Mid-States Aluminum owner Joe Colwin the company grew rapidly during the 1990's. Sales from 1992 to 2000 increased a total of 155% and during this time Lean Manufacturing was implemented using Focus Factories to better serve specific market segments and value chains. Specifically the company's four key markets were; office furniture, automotive, technology, and durable goods and each Focus Factory employed sales, customer service, engineering, quality, production planning, and purchasing associates. Each customer had a specific set of contacts within each factory which helped Mid-States maintain a very close connection with their customers and aided in building strong relationships aimed at continuing business.

However, as the economy suffered in 2001, Mid-States' sales fell. In three short years, sales were back under the original level set in 1992. Struggling to reduce operational costs in proportion to the reduction in sales, profits were dipping into the red. The company needed to find a more efficient way to operate the business. During this time four Focus Factories were consolidated into two. In 2004, sales regained momentum and Mid-States found itself in rapid growth mode again and profits followed suit. But this prosperity was short lived and markets became less tolerant of higher prices. Once again a renewed focus on continuous improvement involving everyone was necessary.

Fortunately the entrepreneurial spirit that provided rapid growth was still in place and thriving. Unfortunately, there was no system in place to channel such energy into positive results. There was lots of improvement activity with inconsistent results. A continuous improvement department existed, but the efforts were limited to those individuals within the department while members of Focus Factories engaged in unhealthy competition. This resulted in a sense of hopelessness and low morale. A change in the leadership of the organization resulted in the realization that Mid-States Aluminum was in need of a systematic approach to problem solving that would be inclusive in nature and focus on creating a new culture of plant wide input and bottom line results. This was the beginning of Lean Six Sigma at Mid-States Aluminum.

2. **Describe the actions your organization took – the people practices you implemented.** How were your strategies constructed and implemented? Who was involved, and why? (750 words or less)

In an effort to improve company-wide teamwork and reduce unhealthy conflict, Mid-States Aluminum Corp. reorganized in 2006 by consolidating the Focus Factories. Instead of having separate, but similar entities under one roof, the organization now operated departmentally by function. These functions included Human Resources, Sales, Finance, Materials, Engineering, Plant Services, Tool & Die, Extrusion, Fabrication, and Anodizing. This was done to combine and utilize these functional resources more effectively. In order to re-create an environment of systematic continuous improvement the Lean Six Sigma initiative was launched in late 2006.

At the time of launch a commitment was made by the organization to dedicate 1% of the workforce as full time Black Belts. These associates would partner with the Wisconsin Manufacturing Extension Partnership (WMEP) in setting up the program and facilitating the first projects. They would attend Six Sigma Black Belt training through the Milwaukee School of Engineering's Business Excellence Consortium. WMEP would also facilitate the first round of Lean Six Sigma Green Belt team training. This would be the first time that Mid-States would have a structured and systematic program aimed at deploying cross-functional teams focused on achieving specific goals.

In addition to Black Belts, another category of associates aimed at supporting the individual projects would be selected as Lean Six Sigma Green Belts. These associates would be expected to dedicate 25% of their time to project work and the organization would support them in that. Expectations coming out of the program were that Green Belts would possess improved analytical thinking and could apply such thought processes back in their respective departments. Mid-States' goal was to have 20% of the workforce trained as Green Belts within three years. The program would be governed by the Steering Committee, made up of the entire management staff, and championed by the President/CEO. The Steering Committee would select projects based on business needs and would provide any necessary guidance during project execution.

The first three projects selected aimed at reducing quote lead times, improving equipment reliability, and reducing setup times. Twelve Lean Six Sigma Green Belt candidates were selected and came from the following departments: Inside Sales, Purchasing, Engineering, Plant Services, Tool & Die, Extrusion, and Fabrication. Because this first round of activity would set the stage for what would be a long term program, it was critical that it got off to a good start with the right mix of Green Belts. Criteria for initial selection included the following: job dedication, top performer, involved or impacted by the project, basic analytical and computer skills, and supervisor recommendation.

The projects kicked off with an offsite full day teambuilding activity at a YMCA outreach camp. Because many of the associates on the separate Teams had not worked with one another in any fashion, the teambuilding session was meant to break the ice and develop early team camaraderie. The morning

consisted of change management and communication skills education and the afternoon was filled with fun activities focused on team building. Discussions were facilitated to help understand the associates and the issues they identified within the organization that might get in the way of implementing change.

Over the following six months the Lean Six Sigma Black Belts completed their formal ten days of training and tests, the Green Belts completed their formal five days of training and tests, and the projects were completed. Following the success of the initial three projects, a celebration dinner was held to acknowledge the hard work and effort put in by all and included the entire Steering Committee, the Black Belts, and the newly crowned Mid-States Green Belts. Each Green Belt received a commemorative Green Belt polo shirt and official certificate.

During this initial kickoff time period, methods to communicate progress and developments were established. A Lean Six Sigma Project Gallery was built where project storyboards would be hung and updated after each phase was completed. This would also be the area to display metrics once a project was completed and notify the organization when a project was successfully closed out after a year of sustainment monitoring. A monthly newsletter was also started that would provide Lean Six Sigma updates and news, such as sharing photos from different events and celebrations, and also providing specific project updates. Mid-States wanted this to be a program that was desirable and something every associate would want to be a part of. We knew we could build such excitement by communicating positive progress and maintaining a high level of visibility within the organization.

3. **Describe your results.** Use metrics to show how these actions helped you achieve a competitive business advantage. (750 words or less)

Examples of metrics:

- “Improved customer satisfaction levels by 3% in Q1 and 7% in Q2”
- “Decreased our estimated, average cost per hire by \$6,000”
- “Increased percentage of open positions filled internally by 24%”
- “New coaching program generated 8100 coaching sessions and 2870 weekly unique hits on the coaching websites, resulting in 674 people retained who indicated that, without coaching, they would have left the organization”
- “Injuries have reduced from 4.61% to 1.2%”
- “Decreased turnover in targeted positions from 68% per year to 31% per year”
- “215 employees have attained Lean Six Sigma Green Belts and 35 Black Belts”

In 2006 Mid-States Aluminum Corp. achieved a 5% pre-tax profit. While the 5% was better than years past, it was a decrease from the prior year and left obvious room for improvement. Mid-States knew that a systematic approach to problem solving and cost reduction involving every level of the organization needed to be implemented to improve profits, make the company more competitive in the market and improve associate morale. Later that year the Lean Six Sigma initiative was launched. Three associates started formal Six Sigma Black Belt training through Milwaukee School of Engineering (MSOE), twelve associates started formal Lean Six Sigma Green Belt training facilitated by Wisconsin Manufacturing Extension Partnership, and three projects were kicked off.

In early 2007 Mid-States’ three Black Belts and twelve Green Belts completed their formal training and the three initial projects plus three Kaizen events saving the company \$146,250. By completing these projects it also opened up capacity for an additional sales potential of \$64,500; providing a total business impact of \$210,750. The next wave of projects were immediately under way with a new set of Green Belt candidates, teambuilding, and the start of training. Mid-States ended the year with an 8% profit.

2008 was another productive year for both Mid-States and Lean Six Sigma. The program continued to build momentum as the Wave 2 projects were completed and celebrated, Wave 3 projects were started, completed, and celebrated, and the first round of Black Belts achieved certified status through MSOE. Lean Six Sigma had become an avenue for all associates to help save the company money, get involved outside of normal duties, and an opportunity for personal development.

By the end of 2008, 14% of Mid-States’ work force were trained as Green Belts. By the end of 2010, 31% were trained resulting in exceeding the initial goal of having 20% of the workforce trained as Green Belts. To date there are 76 Green Belts and 3 Black Belts who have completed 12 projects and 24 Kaizen events. The completed projects have been estimated to have saved Mid-States Aluminum a total of \$856,250 and with increased sales potential of \$274,500 and a total business impact of \$1,130,750. In addition, the company also realized an 8.5% net profit in 2010.

There has yet to be a wave of projects that have required the use of repeat Green Belts. Interest is so strong in the program that there is a large pool of new associates to select from each time. The average number of applicants for each wave of projects ranges between 25-30. Starting this year, Green Belts are now helping lead Kaizen events, or short improvement projects, as their development continues to make an impact on the organization.

The secondary benefits of the Lean Six Sigma program have also been impactful. The first and second set of Lean Six Sigma Black Belts have been deployed to other strategic areas of the business where they can use their continuous improvement skills and have been replaced by new candidates. Additionally, a key supplier representative participated in training and a project on-site. Our associates who participate have greater confidence, develop the ability to analytically problem solve and are trained to present their recommendations to management for implementation. All associates have development plans and Lean Six Sigma figures prominently in them.

In conclusion, a comment from one of our current Green Belts in training says it all. This person had applied to be a Green Belt three times and was finally chosen to participate in this wave. When asked how she felt upon finding out that she was selected, she said “it felt like I won the lottery!” We want everyone to “win the lottery” at Mid-States Aluminum!

4. What other key people practices do you believe are factors that contribute to your workplace excellence?

Mid-States Aluminum Corp. is very focused on associate development to include job shadowing, tuition reimbursement, flexible hours for schooling, departmental teambuilding that consists of communication style assessments, career coaching, on and off-site training, and leadership development. All of these activities are captured in individual development plans that are reviewed on an ongoing basis.

5. We encourage you to submit your application with any charts, graphs, and/or models that lend support to your application. Please do not attach more than 10 pages of supporting material.
- 

### Section 3: Site visits

6. As part of the evaluation process, finalists will be contacted by the New North Workplace Excellence Award Committee by August 12, 2011 to establish a time to conduct a 90-minute site visit. In the event your organization is selected as a finalist, indicate your 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> preference from the dates listed below:

<input checked="" type="checkbox"/> _____	September 13 <sup>th</sup>	_____	September 14 <sup>th</sup>
_____	September 21 <sup>st</sup>	<input checked="" type="checkbox"/> _____	September 22 <sup>nd</sup>
<input checked="" type="checkbox"/> _____	September 27 <sup>th</sup>	_____	September 28 <sup>th</sup>
_____	October 5 <sup>th</sup>	_____	October 6 <sup>th</sup>
_____	October 11 <sup>th</sup>	_____	October 12 <sup>th</sup>

Identify up to four individuals in your organization who are key contributors to workplace excellence and would best represent your organization during a site visit (not limited to executives and leadership team). Please make every effort to have these individuals available if selected as a finalist.

Name: Steve Peterson

Name: Sue Roettger

Name: Tim Rice

Name: Andrea Westergaard

**Thank you for your application!**