



## Success Story: XeteX, Inc.

### Profile

Production Plant: La Crosse, Wisconsin

Corporate Office: Coon Rapids, MN

Number of Employees: 38

Design and manufacture energy efficient heating, ventilating, and cooling systems that feature air-to-air energy recovery/heat transfer technologies used in commercial, industrial, hospitality, schools, and other public buildings for improved indoor air quality.

NWMOC Projects: Strategy Planning, Milestone Scheduling System, Lean Training, 5S/Visual Systems



### 2010 La Crosse Manufacturer of the Year

Tim (La Crosse Plant Leader), Keith (Owner), Rod (HVAC Specialist), Matt (Manufacturing Leader)

### Situation

XeteX experienced dramatic growth over the past few years. Higher volumes and more complex products stressed their production scheduling system, and it was becoming increasingly difficult to manage the supply and delivery of consumables and purchased components while meeting delivery dates. Rapid expansion of their assembly areas also created inefficient processes.

### Project

NWMOC project managers met with the leadership team and developed key goals and a plan to accomplish them. One of the main goals was to involve all of their employees in the process of improvement. A one-day lean workshop for everyone provided a chance to learn about lean principles and work together to see them demonstrated in the simulation production factory.

To immediately apply the lean concepts to their own facility, a pilot 5S event was conducted. Based on that event, it was decided the maximum benefit would be obtained from a large event that would encompass the entire production plant at one time. People with previously unknown and untapped talents changed the entire plant into a much more effective workplace. The XeteX leadership team was amazed at their talents. Since that event, they continually change and further improve their work areas.

*At the beginning, this seemed intimidating. However, the NWMOC personnel were very knowledgeable, accommodating, and worked well with our people in applying Lean methods.*

*Overall, these improvements should help us retain existing [clients] and attract new clients, and obtain more orders. Highly recommended.*

Keith Hohenstein, President

A Milestone Scheduling System was also developed that was easy to use, that helped them develop better staffing plans and better identify due dates for purchased components, and that enabled them to plan scheduled shipping dates more precisely. This system has also become an effective communication tool with their engineering and purchasing groups.

### Results

- Implemented a vendor-managed inventory system that eliminates 95% of stock-outs and saves time.
- Developed a scheduling system to enable control of intermediate production milestones that increased quality, reduced costs, and significantly improved on-time delivery.
- 5S Workplace Organization reduced foot travel within the production areas by 240 hours annually and cleaned up the work areas that show well to visiting clients.
- Increased productivity by 10%.