

Opportunity in a Time of Change

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Introduction

Any time of change is a time of opportunity because for so many companies any change, and especially a negative change, is very difficult to deal with. An expected shrinking of the available extrusion market in North America can provide a rare opportunity for some extruders.

The light metal extrusion industry is conservative and in my opinion often unreceptive to change. The credo of the average extruder often appears to be, "This is how we've always done it." There's nothing wrong with that, as long as the economy continues to remain healthy and the available market increases. But faced with an anticipated downturn in the North American economy, now being predicted by most business analysts along with many new international competitors, "the same old way" is no longer likely to be good enough. It is not simply a theory but a proven fact that if you continue to do the same thing in the same way, you will continue to get the same result, at best.

In turning a company around to make it proactive instead of reactive, and to prepare it for the opportunity to increase its share of a shrinking available market, an overall change in corporate philosophy, and a sincere commitment to ongoing improvement is the first priority. There are already a few companies that are selectively cutting back while pursuing opportunities and key projects in a focused manner. They are successfully adjusting to a changing market. This kind of basic change in a company's direction can only come from the top down.

Part of the problem just now is that upper management often appears to have lost its focus on the actual extrusion operation that is, the conversion of billets into saleable extrusion. The plant has usually done a good job of looking after this for a long time. Also, in this time of economic turmoil, management may have developed a task fixation on one thing only, such as cash flow or short term profitability, to the detriment of all else.

If an extruder is about to embark on the road to leadership in a changing market, top-level management should lead it with a commitment to ongoing improvement. If this is not readily apparent to both employees and to the market, the task will be much more difficult. Everyone wants to deal with a winner, and from the outset there should appear to be no doubt that the company will become the leader in its particular market sector.

Magic of Measuring

The first move to improve efficiency is to carefully measure, record, and display three major factors that impact profit of the company. These are recovery, ram speed, and unscheduled downtime. The process of ongoing improvement begins with the consistent measurement of these three factors and sharing the results with all the employees. By the end of the second month a marked improvement will almost inevitably be shown over the first.

Typically, for mainly 6060 and 6063 alloys mixed with some harder alloys such as 6061 and 6005 results will show a recovery range of 75% to 87%, with an average

of 78% and a ram speed range of 16 ipm to 28 ipm with an average of 19 ipm. Recording unscheduled downtime is not quite as straightforward as recovery or ram speed. Typically it ranges between 5% and 25%, but averages about 10%, split 50/50 between production and equipment downtime.

Recording production downtime is always controversial, because there may be a significant number of very short stoppages or "micro stops" that are not recorded. These include short stoppages, usually of less than two minutes. They are, however, inefficiencies, and over a shift may total as much as the total time recorded for longer stoppages. Therefore, the plant that records, say, 6% production downtime and ignores the very short stoppages may, in fact, have up to 12% total production downtime.

Dead cycle time is, of course, not included in production downtime. It is part of the total productive time, but not part of the time purely associated with productive extrusion. Only the actual unscheduled downtime should be measured in order to accurately reflect the efficiency of a particular extrusion production process.

To be proactive, management needs to balance the need to survive with the inspirational efforts and investments needed to thrive in the short, medium, and long term. If they do not have their own experience to guide them, they need to take a page from the notebook of companies that are successfully managing change, and consider the following:

- Every extrusion production system can be improved. There are no perfect extruders. There never will be.
- We are discussing opportunity, not survival.
- Quality and service must be 100%. Nothing less is acceptable.
- There will always be someone with a better price. Sell value instead.
- Just now, no extruder can really afford to use startup billets to heat dies.
- Thermal alignment of the tooling system is at least as important as physical press alignment.
- There are only three ways to increase profit: raise price, sell more, and reduce cost. Improved productivity is the key to success.
- To take full advantage of this unique opportunity to significantly increase share in a market that is already shrinking, it is not necessary to become the best extruder in the Western World, or even the second best. It is just necessary to be better than your immediate competition and that is a realistic goal.

Conclusion

There are no secrets to better extrusion. Every extruder knows how to do it. It is more than a coincidence, however, that just now only the best and the biggest consistently measure their own performance, and share the results with their employees. In times of economic stress, people want the security that only comes with success. Ongoing improvement in monthly performance, even if only incremental, will show that an extruder is at least on the road to success. There is no downside to making this commitment and implementing it. There will never be a better time than now.