



CEG's Business Growth Services: Growing Manufacturing & Technology Companies

Case Study:

Ducommun AeroStructures Realizes Cost Savings with Six-Sigma Implementation

Client Profile:

Ducommun AeroStructures New York, (DAS NY) was founded as Dynabil Industries Inc in 1977. DAS NY is an aerostructures precision sheet metal and sub-assembly manufacturing company in Coxsackie, NY, employing over 220 people. Ducommun AeroStructures, one division of Ducommun Inc, designs, engineers, and manufactures the largest, most complex contoured aerostructure components in the aerospace industry. Their integrated processes include stretch-forming, thermal-forming, chemical milling, precision fabrication, machining, finishing processes, and integration of components into subassemblies. Ducommun added Dynabil to the DAS team in December 2008.

Situation:

To ensure sustainable profitable growth, subsequent to double digit sales growth and in the midst of challenging market conditions, DAS NY (formerly Dynabil Industries) aerostructures manufacturing site required development of Lean Six Sigma tool kits throughout the organization.

Testimonial:

"The training we received from and through NYMEP's Center for Economic Growth has had, and continues to have, a positive impact on customer satisfaction and process improvements that would not have been realized without the training."

*-Donald Cross, Manager—Continuous Improvement
Ducommun Aero Structures*

Solution:

In the fall of 2008, 15 individuals navigated Lean training through the Center for Economic Growth (CEG). From January to May of 2009, 13 individuals completed, on behalf of CEG, the University at Buffalo Six Sigma Green Belt Training program. As a result, in 2009, 4 key projects were completed and are expected to yield on the order of \$185,000 in cost savings in 2010.

One example of these projects is the Supplier Kanban Program. The problem statement was: details for assembly at OCS/OCD are late causing assemblies to ship late to the customer.

Using a SIPOC analysis followed by a fishbone diagram, the root cause was identified. Several additional opportunities were identified during the process. The Corrective Action was to define and employ a Supplier Kanban Program.

A team, led by Supply Chain and Business Management, analyzed performance data and customer demand, identified key suppliers, and worked with them to develop the program. The program has been deployed with an aggressive schedule to grow the number of suppliers in the program.

Results:

As a result of the program, the administrative processing time was reduced by 45%, the cost for expedite fees was reduced by 100%, and on-time delivery to the customers has increased 20%. The sum of expected hard savings in 2010 resulting from the accomplishments to date is approximately \$60,000. As the program grows, additional savings will be realized.