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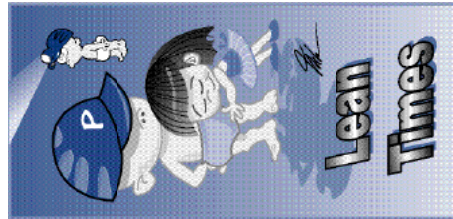
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# The Meaning of Lean

*By Jim Stavis*

There is a movement in manufacturing today called "Lean" that seems many of our customers are embracing. The idea grew out of techniques utilized by Toyota to reduce set-up times and convert batch production methods into efficient working cells. A growing number of companies are looking to increase productivity and reduce costs in an effort to compete globally against low-wage manufacturers in China, Mexico, the Pacific Rim and elsewhere.

In its simplest form, Lean manufacturing means eliminating waste wherever it is found. The goal is to be highly responsive to customer needs. If an activity does not add value to the customer, then eliminate it. The Toyota production model defines seven types of waste:

*(Continued Inside)*

## The Meaning of Lean

*(Continued from Front)*

- 1) Overproduction is producing more material than is required or before it is needed. It is excess inventory sitting on the plant floor waiting to be utilized.
- 2) Work in Process (WIP) is materials between operations which are made unnecessarily in large lots of production.
- 3) Transportation relates to the excess movement of product during the production process. Such movement should be minimized or eliminated.
- 4) All unnecessary processing steps should be eliminated. This requires a questioning of existing processing steps.
- 5) Motion of workers, machines and transport is wasteful. Instead automation will improve the operation.
- 6) Employee waiting for a machine to process should be eliminated. The principle is to maximize the efficiency of the worker versus the machine.

7) Manufacturing defective products is pure waste. The goal is to prevent the occurrence of defects instead of repairing defects.

So the question here is how does the traditional distributor fit into this brave new Lean world? Getting Lean does not require a cleansing of customer-vendor relationships. In fact it should allow customers to become closer with their distributors so that the vendor becomes part of the problem-solving process. First the vendor needs to fully understand the goals and objectives of the customer. Secondly, the vendor needs to be creative in offering solutions that meets the customer's objectives. And thirdly, the vendor needs to perform, perform and perform. One the most obvious ways a distributor can add value to helping a customer get Lean is by devising a just-in-time inventory system to eliminate waste. In some instances the system will eliminate the need for a purchasing agent, whereby the vendor automatically is notified when raw material levels reach a certain reorder point. We

have been able to reduce customer inventory by shifting the WIP to our warehouse instead of theirs. We have been able to initiate a consignment inventory program for those customers that have high volume requirements. In many cases we take physical inventories for our customers to help keep their inventories under control. All of these measures are Lean based concepts. Our motivation to devise these concepts is to help our customers and for us to become a more value-added supplier. Ask us how we might be able to bring some of these concepts into your operation.

## Quote of the Month

*"Far better it is to dare mighty things, to win glorious triumphs though checkered by occasional failures, than to rank with those poor spirits who neither enjoy nor suffer much because they live in the gray twilight that knows neither victory nor defeat."*

*Theodore Roosevelt*

## ACURA AUTO SHOW EXHIBIT

Last December Paragon Steel furnished material and fabrication of a 20' x 160' structurally supported LED wall for George P. Johnson, a custom display company. All of the formed aluminum and tube framed structure was made and assembled in Paragon Steel's fab facility located in Placentia. The display was crated and shipped to the Detroit Auto Show in January. The car was not included within our scope...

