

Success Story: IMC Helps REICHdrill Make Dramatic Turnaround

written by Lauri Moon | January 10, 2014

REICHdrill® manufactures a complete line of rotary and DTH drilling equipment for use in the water well, oil and gas exploration, quarrying, construction and mining industries and is based in Philipsburg, PA.

Specifically, REICHdrill's production includes a series of truck-mounted drilling platforms, a full line of tractor-mounted drilling platforms, a full line of tractor and self-propelled based drilling equipment and support vehicles for those products.

The company was founded in the late 1940s by Wendell Reich and has roots leading back to the development of the first hydraulic top-drive rotary drill. The company has been producing drilling equipment at its current location since 1984, when REICHdrill acquired the CP line of rotary drills. REICHdrill has built a solid reputation in the industry for manufacturing the highest quality, best performing drills in the marketplace. The company continually drives innovation in the design process leading to the development of technologically advanced drilling equipment.

SITUATION

REICHdrill was in negotiations with the world's second largest mining equipment supplier on an agreement that would mean a significant ramp-up in production and export market delivery by an anticipated \$5 million per year over four years.

Unfortunately, the company wasn't poised to take advantage of the opportunity due to operational and financial issues. The business had a critical need to refinance and restructure operationally, and was constrained by their physical space inhibiting further growth. The Strategic Early Warning Network (SEWN) came to their aid and engaged the company on multiple platforms including cash flow and planning, operations, thru-put and turns, production planning, and organizational planning for growth. IMC was brought into the mix to help attack issues on the operational front.

SOLUTION

The objective of IMC's work with REICHdrill was to help the company learn and apply a variety of lean tools and methods to better understand and analyze major product lines, improve set-up and product change times, identify and remove production bottlenecks, improve process flow, engage employees in continuous improvement activities, and in general move towards becoming a more lean enterprise. To that end, the project focused on two major areas —training on the principles of LEAN manufacturing and Value Stream Mapping.

To facilitate this effort, IMC brought in a highly experience Lean / Continuous Improvement solution provider from a sister center in York, PA. Participants were involved in open discussion and learned about the eight wastes that an organization must reduce in order to be competitive in today's marketplace. Topics included Standardized Work, Workplace Organization, Batch Size Reduction, Point-of-Use Storage, Quality at the Source, Raw Material Inventory, W-I-P Inventory, Finished Goods Inventory, and Pull Systems.

In terms of the other major component of the project with IMC, the intensive work on Value Stream Mapping provided REICHdrill with clarity on their Current State—from receiving customer orders and scheduling through all manufacturing operations, inspection, and shipping. A Future State value stream map was also built, and both exercises equipped the company with the insights to identify and prioritize opportunities for improvement. Following that initiative, IMC continued to meet with REICHdrill to discuss improvement strategies and implementations.

RESULTS

Due to the work of IMC, MANTEC, SEWN, and of course, REICHdrill, 65 jobs were saved and the company is now experiencing significant growth and will be expanding their business. In particular, the work with IMC has resulted in the removal of constraints that prevented the company from working on multiple drill units at the same time, as well as the elimination of a severe bottleneck in the paint process. REICHdrill is now able to work on five units at a time, has changed the way that painting is done, and has implemented several other improvements. This positive movement has garnered significant positive results.