

How to Use Amper to Make **Informed Machine Purchases**

CASE STUDY: Leer Inc.

Company Overview

If you've ever purchased a bag of ice from a grocery store or gas station, chances are, you've interacted with a Leer product. For more than 60 years, heartland-based Leer Inc. has driven innovation in the temperature-controlled storage industry -including those iconic white ice merchandisers every consumer knows.

The employee-owned manufacturer, which makes a range of standard and custom coolers, freezers and ice merchandisers, has 300,000 square feet of workspace, spread over three locations two in Wisconsin and one in Iowa. The factories are run by 220 employee-owners.

In addition to retail, Leer serves the scientific, industrial, food service and healthcare industries and has a customer base spanning 52 countries. Leer's commitment to quality products and superior customer service is captured by its tagline, "We're with you every degree of the way."

The Challenge: Chronic Production **Problems with Misdiagnosed Causes**

Leer holds an impressive 70% of market share. Yet despite record sales and demand, it was struggling to meet its production goals and found itself losing sales as a result of long lead times and missed deliveries.

In order to keep up with orders, the company was driven to outsource some of its sheet metal blanking, incurring a cost of more than \$300,000 per year. Despite this, along with investments in overtime pay, ongoing production problems resulted in a decrease in output of 25% of projected capacity.

At the heart of Leer's dilemma: with no concrete way to determine the root causes of their production issues, management was taking action based on opinions and theories, some which were later proven inaccurate.

In fact, suspecting capacity issues on its Salvagnini Turret Punch and CNC Panel Benders, Leer purchased a second Panel Bender -an expensive move that later turned out to be premature.



Highlights



Wisconsin & Iowa



Temp-Controlled Storage

200+ Employees

The Solution: Amper's Factory **Operating System**

Management realized that its decision-making must be based on actual utilization data.

"We wanted to act on facts, not opinions," says Erik Anderson, Director of Operations and Supply Chain. "We had no reliable way to monitor utilization and downtime on our key sheet metal production equipment."

"We knew that, in order to set a course and make the correct adjustments, we needed to automate data collection."

Leer chose Amper's factory monitoring solution to provide visibility into its real-time production activities.

Says Anderson, "By measuring the actual usage of the equipment, we're able to see where we're underutilized and where we're approaching capacity."

"Amper got us the data we needed to make major improvements in cost, lead times and profitability. There is no substitute for hard, reliable, accurate data."

The Result: Actionable Data that Led to Quick Improvments—and a Justified Machine Purchase

As soon as Leer implemented Amper, it began to experience "Eureka!" moments.

For example, the Hawthorne Effect made an immediate

impact. According to Anderson, "As soon as we started publishing utilization numbers, they improved by 10-15%, depending on the equipment."

In addition, Leer also learned that the way it was programming some jobs—in order to maximize sheet yield—was causing machine crashes that ultimately stole uptime.

Says Anderson, "Once we sorted out our programming issues with the CNC Turret Punch, we couldn't generate enough blanks to keep our two Panel Benders running."

At this point, Leer management recognized that "we needed to validate our panel punching capacity as it related to our panel bending capacity."

Amper data revealed that Leer's punching capacity could support just 45% of its bending capacity—validating the purchase of a second automated CNC Turret Punch.

Once the equipment was purchased, Leer was able to stop outsourcing panels, which were more expensive and of lower quality than those produced in-house. This resulted in the insourcing of \$300,000 in purchased parts in their first year, with another \$60,000 to be internalized the following year.

In addition, says Anderson, "We bumped utilization of our second Panel Bender from 20% to 55%. Our main line went from 40% to 65%—and we've identified several opportunities to improve on both lines in the coming year."

Furthermore, the data provided by Amper allowed Leer to lower its raw material inventory and reduce its WIP by 50%, while creating higher quality products on shorter lead times—improving customer satisfaction and loyalty.

3 Quick Takeaways for Fellow Manufacturers

- 1. When diagnosing productivity problems, theories are no substitute for hard data. In fact, misdiagnoses can lead to more problems and unnecessary expenses.
- 2. Investing in new machinery is a big decision. In order to make the right purchases at the right time, manufacturers need to know their machineries' true capacity.
- 3. A good factory monitoring system will save you time and money and improve sales and profits. Because of the intelligence provided by its Amper system, Leer is saving \$360,000 annually in hard costs, while shortening turnaround times and elevating product quality. All of these things help Leer not only maintain, but build on its status as market leader.