

ALLIANCE LAUNDRY SYSTEMS

- **Improve Efficiencies and Cash Flow Management**
- **Provide Service and Support Products After Initial Sale**
- **Manage High Complexity Products and Short Lead-Times**

"Our decision to go with FlowVision was based on their experience and their approach toward training our employees as we implemented their services."

*- Scott Gaster
Vice President and General Manager
Alliance Laundry Systems, LLC*



Business Objectives:

Alliance Laundry Systems, LLC (ALS) is the largest commercial laundry manufacturer in North America, providing products and services to:

- Coin Stores
- Multi-family housing dwellings
- On-premises and institutional laundries
- Drycleaners

In addition to an extensive network of distributors and route operators, Alliance Laundry Systems exports to over 90 countries around the world.

Alliance Laundry Systems LLC has been producing laundry equipment since 1908 and was part of Raytheon until 1998 when Bain Capital plus one other investment banker and a few members of management purchased it. Alliance currently has sales of about \$270 million per year.

The products and services are manufactured under the brand names Ajax, Huebsch, Speed Queen and UniMac. Alliance Laundry Systems has maintained a reputation for innovation and excellence in product design and services.

Headquartered in Ripon, Wisconsin, Alliance Laundry Systems has over 1300 employees with manufacturing locations in Ripon, Wisconsin and Marianna, Florida. The Ripon, WI campus had only produced one product up until 1998. During 1998 and 1999 they moved two (2) new product lines to Ripon and in 2000 added four (4) more product lines. As a result, Ripon needed to standardize on a single manufacturing methodology to improve the efficiencies and cash flow management of the facility.

The Business Challenges:

The top industry-wide challenges encountered in their business today are:

Continually improving the quality and dependability of their products. Alternative solutions included adding additional inspection points or evaluating methods to build quality inspections into the process itself.

Customers expect availability of their product either immediately or within two days maximum after order is processed. This presented a problem that required resolution by either carrying high degrees of inventory or radically reducing lead times.

Ensuring a high standard of customer service by providing customers the ability to order the product in their own configuration. This helps Alliance Laundry Systems maintain a leadership position in innovation for a high complex product set. However, a requirement to execute on a postponement strategy for final assembly scheduling or the need to carry large quantities of diverse configurations in finished goods can have large impacts on inventory investments.

The FlowVision Solution:

Alliance Laundry Systems interviewed twenty (20) different consulting companies and narrowed their choices to three before selecting FlowVision. They visited sites where the consulting companies had worked to review the results with their customers. They ultimately decided to use FlowVision.

Why? "FlowVision has an extensive level of experience. They provided a unique approach by training our employees as we implemented their services. They brought a set of tools that mathematically generate optimized plant layouts and inventory investments that they leave behind. Finally, they deliver results very

quickly." Said Scott Gaster, Vice President and General Manager.

"The scope taken by FlowVision emphasized flexing of labor to improve efficiencies. In addition, they focused on minimizing inventory through visual replenishment systems. Quality was improved by implementing a process that requires checking incoming material as it arrives and rechecking before the product moves through the assembly line to the next process." Gaster added. Though not unique in concepts, their approach of hands-on execution and knowledge transfer to our employees was where the proof-points were obtained.

Implementation:

Before Flow was implemented traditional assembly lines with poor labor utilization and large amounts of inventory to buffer operations existed. Alliance Laundry Systems redesigned their plant floor to accommodate the requirements of Flow in conjunction with new flow based execution techniques.

The cutover of equipment was done over a few weekends and benefits in inventory reduction were seen immediately. The project has since been extended to incorporate other facilities at the Ripon plant and some key suppliers. They continue to improve by using Kaizan techniques taught to them by FlowVision.

All methods and techniques from FlowVision have been implemented. Metrics established for the FlowVision implementation included Labor cost per unit; Inventory dollars for the manufacturing facility; Quality of products being produced. These metrics became the proof-points of success.

"The only thing unusual about the FlowVision approach was that nothing unusual happened. It finished on time, on budget, and exceeded our expectation in time-to-benefits."

*Scott Gaster
Vice President and General Manager
Alliance Laundry Systems, LLC*

"Working with FlowVision was different than other consultants", stated Gaster. "Their experience enables them to perform the work correctly and their tools provide us with sustainable advantages for the future."

Results:

Shortly after implementing lean, the Alliance Laundry Systems VP of Sales was touring the area with a European prospect. After seeing their techniques and having lead times quoted, the prospect declared that Alliance could deliver product faster to Europe by boat than their European competitors could provide product to his company. Alliance has since secured their business.

In addition, because of our lower costs and higher quality, an Alliance competitor is now buying products directly from Alliance Laundry Systems and reselling them to their customers.

Today, Flow is the only manufacturing system at ALS. The bottom line:

- Improved labor efficiency by 15%;
- Reduced our inventory by 50%;
- Lead-time was reduced by 50%;
- Quality improved by 5%
- Improved cash position for LBO

Lean forces management to make decisions quickly and efficiently. It makes you a better manager.

ABOUT FLOWVISION

FlowVision is the leader in lean and flow manufacturing consulting that provides real world experience in lead-time reduction and supply chain management, resulting in significant financial benefits.

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