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Graphic Arts MONTHLY

Graphic Arts Monthly

August 1, 2006

How Pratt Realigned for Excellence

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SECTION: COLUMNS; BestTrack; Pg. 25

LENGTH: 485 words

Business realignments, typically done in the context of cutting overhead costs or trying to survive in tough conditions, rarely are greeted with positive reviews by employees and customers. They'll usually take a wait-and-see attitude as to how the "new" company responds. There are, however, examples of business realignments that drive success to a company, such as the story of Pratt Corp., Indianapolis, a \$57 million screen printer with two plants and 220 employees.

In January 2005 Pratt found itself to be a traditional, 60-year-old printer. Organized in standard "silo" fashion, autonomous departments focused on efficient performance of single functions. Faced with a need to consolidate four small facilities into a single, larger plant-and to transform itself from a banner printer into a provider of turnkey graphics packages for large retail chains-Pratt was faced with both a physical and cultural transformation to realign itself for future success. The firm established five reorganization goals:

Align organization and workflows to facilitate delivery of customer requirements.Widen the bottleneck at the top of the organization. Increase the number of leaders capable of profitably running the business.Create a rapid-response process for pricing, design and prototype development.Facilitate adoption of lean manufacturing methods.

Pratt started with a clear external focus on customer needs, then looked inward at process improvements and employee development to build and sustain improvements. All of this was wrapped around a focus on lean business methodology.

Pratt aligned its organization after identifying distinct categories of work produced, along with the corresponding workflows. Cross-functional teams were formed to focus on the specific business groups and their unique needs. Decision bottlenecks were addressed by establishing customer-focused representatives centered at the hub of multi-skilled teams.

The internal realignment of personnel was accompanied by training to support employees in their expanded roles. Internal performance metrics were established based on customer needs, which helped provide the desired focus on rapid response to job quotes.

Pratt's lean focus started with the basics: reading current books on the subject and educating employees in weekly book discussions. This is a great way to involve employees and get buy-in to change. No one has time to read multiple books, but you can easily assign individual chapters and have employees teach key concepts to each other.

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Pratt was soon able to handle 30% more quotes with no added staff. Its lean success saw reductions of 70% in press changeover times, 40% in key inventory supply and 65% in cutting identifiable process steps after mapping key value streams.

Plant productivity, safety, on-time deliveries and customer-complaint performance all improved through the implementation of lean principles.

LOAD-DATE: August 17, 2006

LANGUAGE: ENGLISH

PUBLICATION-TYPE: Magazine

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