

Costa Precision Learns Lean Training is a Continuous Process for Retaining and Getting New Customers

Company Background:

It was during the 1970's when Jim Costa started his CNC machine shop- Costa Precision Manufacturing Corp. Then in 1986 Ed Zielinski bought the company and moved it into a 15,000 square foot facility in Claremont, New Hampshire. They only had 15 employees at the time.

The business grew rapidly and by 1998 they doubled the size of their facility. Today Costa Precision has a total of 32,500 square feet of manufacturing space, employs 40 full time workers and runs two shifts.

Costa Precision Manufacturing Corp. uses world class process design and development techniques, advanced assembly and testing procedures and superior 3D surfacing machining to deliver extremely high quality products to their customers. For over three decades they have serviced high profile clients in aerospace, defense, power generation, firearms, optics, medical and other commercial applications.

Situation:

"Customers only like two things, quality and on-time delivery," said Tom Barber, Chief Operating Officer for Costa Precision. "But we were struggling in manufacturing engineering with quoting and manufacturing processes prior to going to the shop floor. This caused irregular workflow, and customer quote deadlines to be missed."

The manufacturing floor had its share of issues too. "We were failing to provide needed quantities of parts per shift, per day. This led to poorer quality parts being produced because we would get behind schedule and had to rush parts out the door," said Barber. "This also led to late deliveries."

They knew they needed to do something to overcome these challenges and not lose customers.

Solution:

Back in 2008, John Mack their Chief Operating Officer at the time but who has since retired, along with Tom Barber worked with the New Hampshire Manufacturing Extension Partnership (NH MEP) to help them get back on track.

They attended the NH MEP Lean and Six Sigma Collaborative Training Program. This brought manufacturing engineers from other companies together in an off-site location for the majority of the training. Then the NH MEP Project Manager would visit each manufacturers' facility to facilitate the process. The NH MEP Project Manager would hold Kaizen events and went from machine group to machine group with 5S training, basically going through the entire shop.

This worked for a while until 2016 when John retired and Tom left the company. The two new people who took over for them had a different approach. Processes and protocols changed and things got out of control quickly. "The quoting process suffered, deliveries lagged, and quality was down. One of our major customers even lost confidence in us. They no longer gave us new business, only repeat work," said Barber.

Then in 2017 John Mack came back on to help Costa Precision and brought back NH MEP to perform on-site Lean training and Kaizen events.

Results:

Tom came back to Costa Precision in 2018 and John was able to finally retire for good. “The results I saw of the NH MEP training were astonishing,” said Barber. “Quotes went through smoothly and out quickly to the customer. We were now receiving quotes on a weekly basis and winning them!”

Delivery times were up and so was quality. Customer confidence was back and most of it was new work. Since Tom came back they had \$1.8 million in new work and have acquired new customers as well. As a matter of fact their on-time deliveries exceeded customer expectations which led them to receive a \$1.1 million contract in June of 2018.

The following results for Costa Precision Manufacturing Corp. can be credited to having gone through the NH MEP Lean Training:

- \$200,000 in new sales in 2017
- Retained sales of \$1,000,000 in 2017 that otherwise would have been lost
- Added 6 new fulltime employees in 2017
- 7 jobs retained in 2017
- Increased investment in workforce practices or employee skills at the cost of \$3,000 in 2017
- Increased investment in new products or processes at the cost of \$5,000 in 2017
- Increased investment in plant or equipment at the cost of \$160,000 in 2017
- Increased investment in new information systems or software at the cost of \$0 in 2017
- Avoided unnecessary investments of \$10,000 in 2017

Testimonial:

“The rewards from working with NH MEP has resulted in Costa Precision efficiently quoting and processing jobs to the manufacturing floor on time and with a high level of accuracy. We feel had we not partnered with NH MEP the probability of retaining sales was at an all time low, due to delivery.”

- Tom Barber, Chief Operating Officer, Costa Precision Manufacturing Corp.