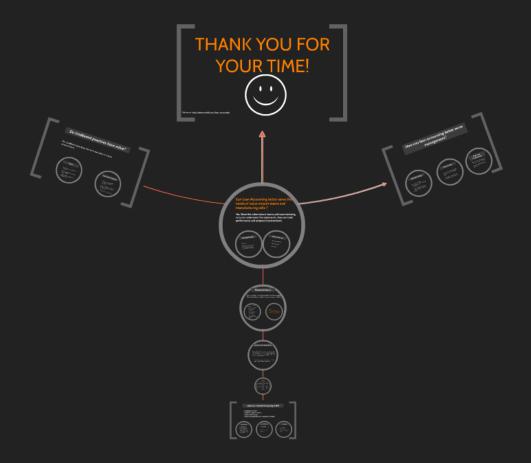


LEBANON GASKET COMPANY Harvard Case Solution & Analysis

TheCaseSolutions.com



LEBANON GASKET COMPANY Harvard Case Solution & Analysis

TheCaseSolutions.com

Lebanon Gasket Company (LGC)

- Established in 1979
- Located in Topeka, Kansas
- Employs 109 people
- Used mass production for a variety of products

TOM WALSH

- 20 years experience as a manufacturing engineer
- · Hired by LGC as a plant manager
- Applied "lean thinking" at his previous job - Toyota located in Georgetown, Kentucky
- Walsh's focus at LGC operational excellence and transitioning from mass production to lean production

THE TRANSITION

- 2 value streams and 4 manufacturing cells were up and running
- · "Lean thinking" was growing
- Order-to-delivery cycle time improved
- · Rise in sales

THE ISSUE

- Financial results were disappointing
- Figures shown on the absorption income statement heightened infighting

TOM WALSH

- 20 years experience as a manufacturing engineer
- Hired by LGC as a plant manager
- Applied "lean thinking" at his previous job - Toyota located in Georgetown, Kentucky
- Walsh's focus at LGC operational excellence and transitioning from mass production to lean production

THE TRANSITION

- 2 value streams and 4
 manufacturing cells were up and
 running
- "Lean thinking" was growing
- Order-to-delivery cycle time improved
- Rise in sales

THE ISSUE

- Financial results were disappointing
- Figures shown on the absorption income statement heightened infighting

THE PLANT AND ITS PRODUCTS

Two main manufacturing processes to produce a variety of rubber sealing systems for automotive, healthcare, plumbing, and telecommunications applications.

Injection Molding Process

- Three main product families (OS1, TX4, KC13)
- 100 product models are produced within these three families
- · Expensive pieces of equipment
- A constraint in the pace of production

Extrusion Molding Process

- Two main product families (LX22, KB8)
- 75 products models produced in these two families
- · Flows through a continuous stream
- Heating treating activity constrains the level of output

Injection Molding Process

- Three main product families (OS1, TX4, KC13)
- 100 product models are produced within these three families
 - Expensive pieces of equipment
 - A constraint in the pace of production