



# LEBANON GASKET COMPANY Harvard Case Solution & Analysis

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# 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

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# 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

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  - A constraint in the pace of production