



Case Study



Japs-Olson



Executive Summary

Japs-Olson was feeling the pressures of a changing economy, where people no longer reached for newspapers, but to the web for real-time information. As a printer of newspaper inserts and direct mail, Japs-Olson was finding it difficult to stay competitive, so they enlisted Lean Partners to guide their Lean transformation. Reducing their non-valued added activities in half, Japs-Olson improved productivity and reduced labor costs per unit. Almost 10 years after their Lean transformation, they are now the world's largest direct mail and commercial printer.

About Japs-Olson

Japs-Olson is a privately held company that has been in business for over 107 years. They employ close to 600 workers and print over 2,500,000 pieces of mail a day. Located in Saint Louis Park, Minnesota, Japs-Olson offers commercial and variable image printing services, including prepress production, print finishing, variable image printing, and print production workflow services; and mailing and distribution services, which comprise lettershop services, postal logistics, printing fulfillment, and shipping services.

The Challenge

A shift in the market from the daily newspaper to digital news, created a significant impact on the nearly 100 year-old Japs-Olson printing company. Even with the right-size company, a large customer base, and the right equipment, Japs-Olson was needing something more to be competitive. Michael Murphy, the current President of Japs-Olson, realized that the only way for the business to stay relevant was to commit to a Lean culture.

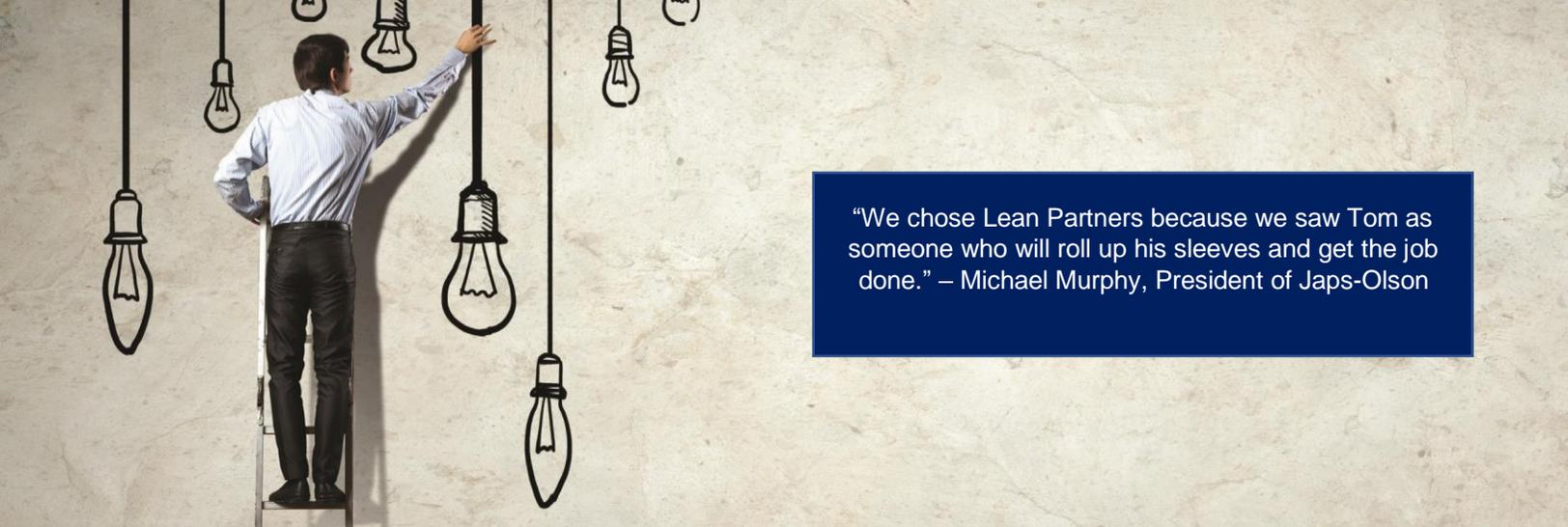
“We had to find out how Lean manufacturing could help our company. We needed to become excellent,” said Murphy. Leading an extensive search, Murphy was looking for a Lean consultant with good experience and one that would be more interested in being a partner and less interested in their own self-promotion.

Murphy understood that a Lean transformation is a process. “You can’t just go from zero to a Lean company by reading a book. We needed someone to walk us through the process,” Murphy clarifies. That’s where Lean Partners came in, more specifically its co-founder, Tom Barrett.

“We chose Lean Partners, because we saw Tom as someone who will roll up his sleeves and get the job done,” Murphy says. “We were buying into Tom as much as we were buying into Lean Partners.”

Implementing Lean

As a family-owned business, the leadership style was ingrained in all aspects of the company, so the first Lean initiative had to start at the top. Time was dedicated to training leaders through the Introduction to Lean seminars with Barrett participating as an active partner the whole way. “Tom was so involved and just pushed back on me,” Murphy states, “He told me, ‘you’re not getting enough out of this, don’t settle for this’. It was very profound.” Lean Partners focused on integrating the basic Lean tools such as 5S and Standard Work to create a solid foundation for improvements. A roadblock some businesses can encounter, when making this huge change and commitment, is resistance from their employees. Michael describes some of the employees at Japs-Olson as having a sort of “silent complacency”. Japs-Olson was able to address this problem early on through more training and open communication. Fortunately, most employees were more than willing to begin the process and understood that this was not just some ‘flavor of the month,’ but instead a commitment to a lifestyle.



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5S's of a Lean Transformation

Sort	Standardize
Shine	Sustain
Set in Order	

Results and the Road Ahead

Results from a Lean implementation are not always immediate. The first year, for example, is one that involves plenty of patience. “Every step that you take presents a whole set of road blocks and when you move onto the next thing, there’s another set of road blocks...it really is a culture and it’s a lifestyle. It’s not one of those things where you can do it and just expect it to be done,” Murphy continues, “Lean is not a silver bullet. Lean is not something that you’re going to come in and boom you’re going to do 5S and a Kaizen event and all of a sudden you’re not losing money. If you’re going to do a Lean transformation, you must commit.”

"At the end of the day, what do you want to do? If you want lean to reduce half of your cost of goods sold, it can do that." Tom Barrett elaborates stating, “Lean can generate improvements in productivity as much as 20% per year, which can lead to reductions in labor costs per unit by 50% per year in three to four years.”

Almost 10 years later and Japs-Olson is still improving. “We’ve been doing this for 10 years and we just reviewed a process we’ve looked at a dozen times before and we were able to still reduce the non-value-add activities in half! Who doesn’t want that?” Murphy laughs. The work to maintain a Lean culture never stops though, even when your consultant is no longer as engaged.

Murphy admits that during the recession, when all other businesses were struggling to stay afloat, Japs - Olson was thriving in the part of the Lean journey they were on. It was Murphy's leadership and guidance. "We needed exactly what Tom did for us, and that is to bring us through the process. So when we hit road blocks, we had someone like Tom to act as our partner and guide, tell us that this is where we're at and this is what we need to do. That's the value that Lean Partners can bring, that level of partnership and that level of consulting."

Japs-Olson's success can be attributed to Lean, but also to the hard work, perseverance, and eagerness of its employees, along with the help from their dedicated partner at Lean Partners. Tom Barrett was there with Japs-Olson every step of the way. Lean may start at the top, but it's the company working in collaboration that increases production and creates a Lean company. That is something every company can be proud of.