



State of California

Employment Training Panel

CASE STUDY

Arnold Schwarzenegger, Governor

Santa Cruz Millwork

Santa Cruz Millwork is a micro enterprise that employs seven employees to make customized wooden doors and windows. Business owner Thomas Nedelsky had read about the success of Lean Manufacturing principles and decided that he wanted to determine if his company could improve efficiencies and safety procedures using those principals.

Mr. Nedelsky studied the success of Lean Manufacturing in small business operations and attended workshops conducted by Manex, a manufacturing excellence group and ETP partner. Santa Cruz Millwork hired a Manex instructor conduct a workshop on Lean Manufacturing at the Santa Cruz site. An employee who had implemented Lean Manufacturing concepts in his previous job was recruited to lead a number of training projects, which included: how to implement a '5 S' program (sort, straighten, shine, standardize, & sustain) and how to conduct a 'QIT' (quality improvement team) program.

Santa Cruz Millwork determined that a number of operational improvements were a direct result of the ETP-funded training. Implementation of the '5 S' program allowed the company to reorganize a number of areas in the shop, reclaim floor space, improve productivity, and upgrade the quality of the finished products. Inventory retrieval for production was reduced and an accurate production supply inventory is maintained.

Santa Cruz Millwork has greatly reduced the amount of accumulated scrap wood that was interfering with production. The company has also condensed the time it takes to move finished goods into inventory, thereby reducing damage and decreasing shipment loading times. These efficiencies have increased the company's capacity for finished goods inventory.

Santa Cruz's door-hanging department reduced handling time by creating a more efficient work cell that consolidated machining operations, reduced the number of times a door is handled, reduced set-up times, and generally improved overall product quality.

The training was team-based, which assisted participation and buy-in by the workers involved in the relevant processes. Ultimately, Santa Cruz Millwork trained four of seven employees, earning \$3,120 in ETP reimbursements. Although the reimbursements were not large dollar amounts, the training made a huge impact on business practices and cost reductions at this small shop.

“With the help of ETP, we were able to learn and implement a number of concepts of Lean Manufacturing. The success we have had with the implementation of what we learned has been very rewarding. We look forward to applying these principles of Continuous Improvement to other aspects of Santa Cruz Millwork in the future.”

**Thomas Nedelsky, Owner
Santa Cruz Millwork**

For information regarding the ETP program, call ETP's Economic Development Unit at 916/327-5640 or e-mail edu@etp.ca.gov