

*Helping Oregon Manufacturers Create a Stronger Oregon Economy*

**Advanced Machining Services – A Success Story**

**Background/Situation**

Founded in 2001, Advanced Machining Services (AMS), located in Bend, is a full-service shop excelling in CNC Machining and Design. Specializing in precision-machined components for companies ranging from the aerospace industry to custom projects, AMS is dedicated to quality, customer relations, and to providing a safe environment for producing quality products. AMS currently has nine employees.

Since 2001, AMS' owners, Craig Achatz and Mark Wolfkiel, had been able to maintain a successful business even during the economic downturn through long hours of hard work and the endurance of tremendous personal stress in running the day-to-day operations. They wanted to grow and improve their business; however, they knew their current way of running operations would not support their long term goals.

Fortunately, in late 2008, the State of Oregon sought to bring Lean Manufacturing to small rural manufacturers in central Oregon through a pilot project funded by the Governor's Strategic Training Fund. OMEP responded to the RFP and was awarded \$100K to deliver services to four rural manufacturers. AMS was the first to be served by the project which was administered by the Central Oregon Investment Council.

**Action/Intervention**

OMEP conducted a detailed assessment including a business questionnaire, financial analysis spreadsheet, interviews, and observations. The assessment indicated that AMS had done an excellent job of growing their business without risking their future with excessive overhead and debt. It also uncovered opportunities for improvement in the areas of production and capacity management, customer focus and lead generation, and basic financial budget control and analysis.

OMEP delivered modified Principles of Lean Manufacturing and Value Stream Mapping training to all nine employees, then provided coaching and training in Lean tools as needed throughout the Lean implementation. Undertaking major initiatives in sales, production, and capacity planning, the owners embraced Lean as a business operating system and made great strides in developing processes and implementing visual controls for production support. AMS has continued its Lean efforts beyond the grant period and OMEP is confident that AMS will sustain the gains made during the project.

**Testimonial**

*Mark Wolfkiel and I have been in the machining trades for a combined 60+ years and have always struggled with organization and employee involvement. OMEP helped us with a call to action and we have seen major improvements. We addressed things from the administrative end first and found major constraints. We developed a system using a standard 4 week lead time and 24 hr quoting response. We now are proactive in managing our schedule, tooling and programming problems.*

*OMEP has been a win-win for the employees and owners of AMS, and we look forward to more growth in 2010.*

*— Craig Achatz, Owner  
Advanced Machining Services*

**Results**

As a result of OMEP's intervention and assistance:

- **Profitability improved by 18%**
- **On-time Delivery improved by 33%**
- **A 300% improvement in accuracy of work order information** to the shop floor
- In addition to excellent tangible, data-driven results, the owners believe **just as beneficial** is how they have learned to **accomplish more with less stress and fewer hours**
- Owners believe they gained **valuable management skills** that will enable them to **grow their business** and **continue to provide great manufacturing jobs in Central Oregon**

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