

## SMALL BUSINESS LEAN MANUFACTURING PILOT PROJECT OVERVIEW

The Oregon Manufacturing Extension Partnership (OMEP) has been awarded a grant to provide Lean Manufacturing training and implementation services to four small manufacturing companies in rural Central Oregon. Why small businesses – because 96% of Oregon businesses in 2007 had less than 50 employees. OMEP has adapted its proven training and implementation approach to operate like small business... quickly, effectively and within your current resources (no cost, low cost). The project is open to all small manufacturers, and does not target any particular manufacturing sectors or industries.

### WHAT IS LEAN MANUFACTURING?

Lean Manufacturing reduces the time line from when the customer gives you the order to when you collect your cash. Using a systematic approach, Lean eliminates Non-value Added Wastes in business improving quality, cost, capacity, and customer service. Bottom line - you become more competitive, have the ability to increase sales, and make more money. Hands down, Lean is the most profitable business model today.

### SERVICES PROVIDED

Over a 6 to 8 month period, OMEP will provide participating and qualified manufacturing companies with:

- A written business review and impact assessment;
- Lean Manufacturing training for company leadership & employees tailored to individual business needs and timeframes;
- Hands-on implementation, coaching and assistance on your manufacturing floor throughout the entire project; and
- Off-site support by phone and e-mail.

OMEP consultants have a wide range of industry experience, in both engineering and management.

### FUNDING DETAILS

This pilot project is funded by the Governor's Strategic Training Fund (GSTF) and requires no cash match for selected companies that can meet the in-kind match requirements.

Four companies will be chosen to participate in the project based upon an assessment process which determines potential economic impacts and ensures that the Governor's Strategic Training Fund (GSTF) criteria are met. This project is intended to help revitalize Oregon's small business economies, up-skill the workforce, create jobs, and promote vibrant communities.

Eligibility requirements are outlined on the back side.

**If interested in participation in this program, contact Kleve Kee at [kkee@omep.org](mailto:kkee@omep.org)  
or  
541-350-7429.**



## SMALL BUSINESS LEAN MANUFACTURING PROJECT SELECTION REQUIREMENTS

The typical participating manufacturing company will be actively managed by the owner or a general manager, have 15 to 40 employees, and feel a real financial need to make changes to its business.

Companies interested in becoming eligible for the Small Business Lean Manufacturing Pilot Project must meet the following requirements:

- Have not received state funding in the past;
- Express the need for financial assistance in obtaining Lean Manufacturing services;
- Commit to continue Lean training and implementation after initial state funded project;
- Commit to retaining/creating jobs in Oregon;
- Be willing to work with Oregon workforce industry groups and the WorkSource Oregon partner network;
- Ownership must complete the Small Business Review and Impact Assessment, which includes a detailed financial review portion; and
- Have the ability to meet the In-kind Match Requirements of \$25,000 over 6 months (In-kind Match estimator below).

### IN-KIND MATCH ESTIMATOR

In-Kind Expense Description	# of Empl	Average Hourly Wage	Fed & State paid benefits & Insurance (14%)	401K Match @ 50% of 6% of wages (3%)	Health Ins Benefits @ \$500/mo (14.4%)	Burden Hourly Match Rate	Leadership Match Hrs Required (6 hrs/wk)	Prod, W House & Admin Hrs Required (8 hrs/wk)	Total In-Kind Match Dollars
Active Leadership Team		\$	\$	\$	\$	\$	144 hrs/ person *		\$
Production, Warehouse, & Admin Employees		\$	\$	\$	\$	\$			\$
Facility Costs	Examples: Value of onsite or leased training space. Value of equipment taken off-line for training purposes (shop rate)								\$
Supplies & Materials	Examples: Printing, paper, miscellaneous office supplies, supplemental books								\$
<b>TOTAL IN-KIND ESTIMATED MATCH</b>									<b>\$</b>

\* The 144 hours of Active Leadership Team time equates to 6 hours / week for 6 months. This is 3 hours / week with the OMEP consultant when they are on site and 3 hours / week of leading and following up on the improvement implementation efforts of your employees.

