

KC manufacturer powers up change

Milbank self-appraisal adds alternative energy

BY JAMES DORN BROOK | STAFF WRITER

Milbank Manufacturing hopes to energize its growth potential by branching into alternative energy solutions.

The 83-year-old Kansas City-based manufacturer is widely recognized as a leading provider of the electric metering sockets seen on virtually every home and business. In the past three years, Milbank also plugged into the retail market for electrical sockets, becoming the sole provider to Lowe's Home Improvement. Now, Milbank has signed several agreements with alternative energy providers and is investing in training and facilities for that new business.

"We want to leverage our brand recognition and work with providers of alternative energy who have products but maybe not the access to the marketplace," COO Eric Krichbaum said.

Milbank plans to be a consultant, installer and service provider for those products. Milbank will discuss what types of solutions clients seek — anything from a need for continuous, uninterrupted power to full independence from the power grid, and everything in between.

Then it will use a dealer network — makers of standby generators, windmills, solar arrays, battery storage and other applications — that signed deals with Milbank to provide the necessary equipment for clients to install. Milbank will tie the applications together into a cohesive unit and provide service and maintenance to keep it functioning properly.

"We really see that as being a long-term, viable way to take those products to market," Krichbaum said. "It's very confusing when you start talking about photovoltaic solutions, wind turbines, standby generators and figuring out how to make them all work together. So one of the things we want to bring is a knowledge of the different types of equipment, so we can be a one-stop shop for their solution."



DAVE KAUP | KCBJ

The nacelle for a wind turbine awaits final assembly and installation at the Milbank Manufacturing training facility.



DAVE KAUP | KCBJ

Eric Krichbaum, COO of Milbank Manufacturing, stands by three 30-foot blades for a wind turbine that will help power the company's facility and serve as a training tool.

Bob Marcusse, CEO of the Kansas City Area Development Council, said that at some point just about every new company that explores coming to the area asks about alternative energy possibilities.

"It sounds like Milbank is headed in the right direction," he said. "Companies today are trying to focus exclusively on their core business. You may manufacture a product for the Ford plant, but that doesn't mean you are good at determining how to provide

POWERS: Lean efforts create money, space to expand

energy solutions to your plant. So ... companies look to outsource expertise.”

Krichbaum said the move into alternative energy is an attempt to leverage Milbank’s core business and diversify, not to abandon its core business. In fact, the reason it can move into this new area is because it first invested in solidifying its core business.

Milbank started by enacting lean manufacturing principles, which ensure efficiency in production and free up production space and cash.

Starting in 2007, Milbank completed 38 Shop Floor Kaisen Breakthrough and Business Process events designed to improve production processes and reduce lead time for production. The results were extraordinary.

Milbank reduced lead time by 30 days, a 53 percent decrease. That cut work-in-process inventory by 83 percent, generating \$1.14 million in cash. It reduced finished goods inventory values by 50 percent, generating \$2.42 million in cash. That, in turn, reduced floor space needs by more than 47 percent, freeing up a 60,000-square-

foot manufacturing building and allowing it to sell a 30,000-square-foot storage facility.

Milbank now is using a portion of that freed-up cash and space to invest in its alternative energy solutions business, called PowerGen. It has hired 10 people so far to handle engineering, marketing, sales and service.

“Management of Milbank has done a great job communicating with the people who work under them, all the way down to the factory floor, the importance of this and why they are doing it,” said Bill Sample, senior manager of TBM Consulting Group Inc., a Durham, N.C., firm that was Milbank’s lean initiatives consultant. “They’ve

also been able to sustain the change, which is a huge factor. Now, they are starting to reap the benefits of it, and their employees, in turn, are reaping the benefits, as well.”

Milbank is using the 60,000-square-foot building to set up the training facility and showcase area for its alternative energy business. The training

MILBANK MANUFACTURING

Description: A third-generation, family-owned manufacturer and distributor of meter-mounting equipment, electrical enclosures, disconnects, safety switches, meter/breaker combinations, home standby generators, wind generation and other electrical-related products

Top executive: CEO Lavon Winkler

Employees: 595

Headquarters: 4801 Deramus Ave., P.O. Box 419028, Kansas City, MO 64141

Telephone: 816-483-5314

Internet: www.milbankmfg.com

facility should be completed by the end of the year. Milbank also is in the process of installing the first wind turbine within Kansas City proper.

“We can use that building as our own training center on how to make all these units work as one,” Krichbaum said. “We can bring people in to show everything we can do and how to make everything work together as one machine instead of a conglomeration of separate devices operating autonomously.”



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Eric Krichbaum of Milbank Manufacturing walks past a 40-foot pylon that will serve as a base for a wind turbine.

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Milbank Manufacturing Company in Kansas City is a TBM client and 2010 award recipient of the TBM Perfect Engine Site Award. The TBM Perfect Engine site award recognizes individual manufacturing plants or offices that have successfully implemented a Lean Sigma® transformation and demonstrated innovation and outstanding teamwork.



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