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Allen business saves more than \$1 million



by Heather Darrow

How do companies save a million dollars in a time when the national economy is suffering? They leverage their resources and utilize educational assets to their fullest capacity. The bottom line—they forge a partnership with Collin College.

Amphenol Fiber Systems International (AFSI) is receiving an astounding return on its investment through a joint venture with Collin College, the Allen Economic Development Corporation (AEDC), Texas Manufacturing Assistance Center (TMAC) and a skills development grant from the Texas Workforce Commission (TWC). Collin College provided AFSI with training in computer databases, leadership and APICS, logistics training for improved materials handling flow. Funds awarded to Collin College via the TWC grant allowed TMAC to provide AFSI with Lean Six Sigma training.

According to Bill Waite, AFSI invested \$175,000 by offering every company employee training opportunities. By 2010, the company projects a savings of \$1.1 million.

“This training has improved quality and lead time, and AFSI is already reaping a cost savings. In the last nine months we have saved \$100,000. Collin College is easy to work with and identified a pool of grant money that I don’t think most companies know exists. They changed their schedule to meet our schedule and that made it successful. This training and education has re-energized company morale and positioned us to become a world-class manufacturer,” said Waite, a Lean Six Sigma black belt.

According to Dan Bowman, assistant director of the Allen Economic Development Corporation, Collin College offers flexibility along with business solutions.

“At the Allen EDC, we help businesses grow because we know a highly skilled workforce is essential to the economy. In my experience with grants, Collin College has access to phenomenal programs and the training is fully customizable. They can even bring in outside programs if need be. Almost any situation we could encounter could be addressed through Collin College, and that is exciting for us. It opens many doors,” Bowman said.

A fiber optic cable manufacturer, AFSI builds rugged, outdoor interconnect systems and provides products to the military and various industries including oil and gas, broadcast, telecommunications, mining and industrial. The company designs and builds cable assemblies and like components and offers repair kits and training for companies in the field.

Waite likens fiber optic cable to water going through a garden hose. He says if you strip back the outer layers, you will find light traveling through the fiber. The goal is to have no light spill out of the fiber as it passes through connector joints.

While AFSI can claim that fiber optic cables have a tensile strength stronger than wire, according to Bill Guernsey, AFSI general manager, the company's new strength is in their trained employees.

"We have solidified our partnership with Collin College through this training. Amphenol has recently taken second position in the global competitive interconnect market. We are leaders in many market niches. We invest in our people because we want them to grow. The better job they do, the better our company can perform. We have visible evidence and bottom line results showing the success of the training. What is less tangible is the cultural change of having people trained who have a better understanding of Lean and ownership in the corporation. The more we can get everybody feeling passion about the corporation, the better off we are as a company," Guernsey said.

According to Natalie Greenwell, director of the Collin College Center for Workforce and Economic Development, a Lean manufacturing company means that everyone is conversing in the same language and working toward the company's goals.

"Lean is everything from how you organize your desk to eliminating waste, producing a better product or addressing time management for efficiency. With Lean it is easier to measure a return on your investment. You can actually measure the boxes of waste going to the dump when you are aware of them," Greenwell said.

Greenwell says the college served as a conduit training 102 individuals and providing more than 4,300 contact training hours for Amphenol.

"Lean training is expensive. We were instrumental in helping to procure the training that would otherwise not be available. This training is not easy on a company because the company pays the employees while they are going through the training. Our priority is to keep the company running," Greenwell said.

AFSI had pressure from sales people who could not get immediate answers to questions when several operations personnel were in training, but the results have far outweighed any temporary disadvantages. The company made numerous physical changes ranging from adding magnetic tool bars to eliminating wasted time searching for tools to using a pull system in which workers build parts based on consumption but not on orders. According to Waite, the machine shop area had a 70 percent reduction in set up time. They taped off a walking path on the floor, purchased mobile carts and set up similar jobs to run serially. The design engineering department utilizes a new visual management board to prioritize and track key engineering tasks. AFSI also reduced the number of assembly lines from 11 to eight. The workers contributed to the space savings by suggesting assembly lines that double up and fold in on themselves.

External auditors have been stunned that AFSI management is investing in the company in a down economy, but Waite says that is the best time to receive training.

"When we come out of the recession our company will be stronger than ever and ready for more growth. We knew if we wanted to survive in the U.S. we would have to reduce costs and improve training. The training has increased people's energy; they want to come to work and be more competitive and profitable. It has also revitalized the company with a new path to take," Waite said.

Currently, TWC has \$90 million in skills development funds for training Texas employees. To

see similar returns on investments, contact Natalie Greenwell at 972.985.3768 or ngreenwell@collin.edu.

Heather Darrow is a public information writer for Collin College.

Photos by Nick Young, Collin College photographer.