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Ken Snyder, president of Hebeler Corp., says "[UB and Six Sigma] have been so instrumental in helping us change our culture here and our organization." Harry Scull Jr. / Buffalo News

Manufacturing a turnaround

Hebeler Corp. went from 'worst vendor' to winning awards

By Matt Glynn NEWS BUSINESS REPORTER Updated: July 20, 2009, 7:57 AM / 0 comments Story tools:

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Ken Snyder was acting as a consultant to Hebeler Corp. when he paid a visit to GE Energy in Schenectady.

Snyder wanted to gauge customers' perceptions of Hebeler, a Town of Tonawanda metal fabricator. He found the answer in a sign posted on the wall.

Hebeler was on a list of 10 poorly performing vendors. As ominous as that was, at least Hebeler wasn't one of the two names crossed off.

"When you were on that list, you were targeted to be removed," Snyder recalled.

Much has changed since he made that trip in 1998. Snyder has gone from consultant to company president. Hebeler has quadrupled its revenues. And the company won a 2008 "supplier excellence" award from GE.

Snyder gives a lot of the credit for the company's turnaround to an ongoing relationship with the Center for Industrial Effectiveness at the University at Buffalo, known as TCIE. Hebeler's partners at UB, including students who work on projects at the company, have helped the company identify and eliminate waste, and improve its processes using the principles of Six Sigma, the data-driven business discipline.

"They've been so instrumental in helping us change our culture here and our organization," Snyder said.

UB students who have worked at Hebeler through TCIE's program have also benefited from the experience of applying Six Sigma in a work place, and some have been hired as full-time employees after graduating, said Timothy Leyh, TCIE's executive director.

"Our center was designed to be a bridge with industry and to utilize us to the fullest," Leyh said.

Hebeler's revenues have risen to \$80 million from \$20 million in 1998. The company was acquired in 2001 by Snyder and John Coleman, who is chief executive officer. It employs 150 employees in Tonawanda, and operates another plant in Port Colborne, Ont.

Hebeler designs and fabricates projects for industries including power generation, oil and gas. Presently about 70 percent of what it makes goes overseas, including to the Middle East.

Hebeler is just one area employer where students have tackled projects through TCIE's Six Sigma program. Undergraduate and graduate students from the engineering and management schools have participated, sponsored by employers that include banks and hospitals. Part of the student's task is to complete a project using Six Sigma problem- solving.

Sixteen students are presently enrolled, Leyh said. TCIE says the cost for an employer to sponsor a student in the program for the 2009-10 academic year will be \$4,900.

A professional "master black belt," or expert in the system, mentors the student and consults with the employer and student during the project. Students who complete the program, which includes an exam, are awarded a black belt certification through UB's Department of Industrial and Systems Engineering.

The upshot: companies learn ways to improve their operations, and the students gain valuable credentials to go with the degrees they earn, Leyh said.

"That student has an advantage when it comes to the [job] interviewing process," Leyh said.

One Six Sigma graduate, now a project manager at Hebeler, examined the company's inbound freight for her project. As a result, Hebeler sharply reduced the number of carriers it used, generating an annual savings of about \$150,000. Hebeler said the savings have grown since its deliveries have increased.

Hebeler would have eventually studied the freight issue, but the UB program allowed for a focused, detailed look at it, said Ahmed Lahrache, chief operating officer.

For Snyder, the company's progress is personally satisfying, moving it closer to the vision he imagined for Hebeler 11 years ago to improve its results. Back then, he reached a three-year management operating agreement with the previous owner with an option to buy the company.

Hebeler has worked with TCIE over the years on implementing both Six Sigma and "lean manufacturing," which takes aim at waste in a company. In addition to the Six Sigma students who work on-site, a number of Hebeler employees have gone through Six Sigma classroom training.

Six Sigma proponents say the system allows a company to use data to tackle problems they determine cost too much or are hurting customer service or results. The thrust is to come up with solutions that can be measured and tracked.

Six Sigma has helped Hebeler come up with methods to ensure its improvements and savings are sustained, Lahrache said. "If you use the right tools and the right processes, those opportunities will not be lost."

Snyder said Hebeler has changed the way it functions. Instead of areas like purchasing, engineering and production operating in their own "silos," they work more collaboratively, he said.

"(Coleman) and I call it depth," Snyder said. "We have a way to communicate and make decisions that is going deeper and deeper in our organization, so everyone is talking the same language."

Snyder said Hebeler has benefited from its connections with UB, from the Six Sigma students, to employees who have been trained in the discipline, to graduates it has hired. "I don't think everybody realizes the tool

that is available in their back yard," he said.

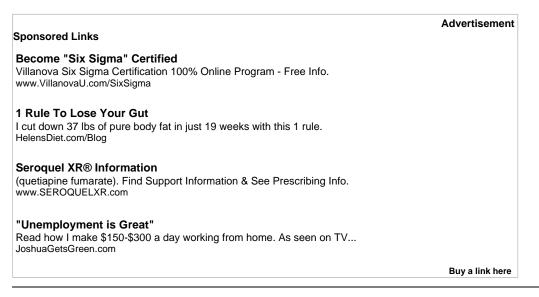
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