



## Green Suppliers Network

*Perspective from an OEM participating in the  
Office Furniture Industry Pilot Program*

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**Steelcase**



**Green Suppliers Network**



A program of the  
U.S. Dept of  
Commerce

# The Green Suppliers Network

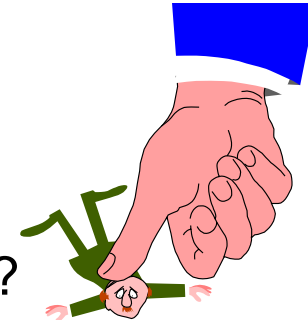
## An Industry-Government Collaboration.....

The **Green Suppliers Network (GSN)**, a collaborative venture between industry, the EPA and the 360vu, a leading provider of assistance to US manufacturers through its national network of Manufacturing Extension Partnership (MEP) centers, works with all levels of the manufacturing supply chain to achieve environmental and economic benefits.

GSN improves performance, minimizes waste generation and removes institutional roadblocks through its innovative approach to leveraging a national network of manufacturing technical assistance resources. With GSN support, suppliers can continuously improve their products and processes, increase energy efficiency, identify cost-saving opportunities, and optimize resources and technologies with the aim of eliminating waste.

# How did Steelcase hear about the GSN program? What concerns did we have?

- EPA contacted our trade association to invite us to a conference in Washington DC to learn about the GSN program (Dec. 2003).
- Our questions and concerns included:
  - Is it truly voluntary?
  - What is the cost for us and for our suppliers?
  - What time and resource commitments must we make? Will the benefits justify this investment?
  - How will we know there are benefits if the GSN reports are kept confidential from us?
  - If we say yes, how will our suppliers perceive an invitation from their customer to participate?
  - And... does this mean our environmental and supply chain departments will need to coordinate efforts?!



**With our concerns addressed, we thought “Why would we not participate?”**

***The GSN program  
fit perfectly  
with our company  
strategies in  
environmental  
and lean  
performance.***



# Our Steelcase strategy...



- **Steelcase environmental vision:**

*To be more environmentally effective tomorrow than we are today, by conserving resources, preventing pollution, achieving sustainability, exceeding compliance obligations, and nurturing an environmental consciousness in our people.*

*This extends from the raw materials we choose for manufacturing through end-of-life strategies for our customers' furniture.*

- **Steelcase lean vision:**

*Become world-class at implementing lean. Implement lean everywhere... throughout the entire value chain, including the supply base, manufacturing, distribution, and in the office.*

# Timeline - Steelcase involvement in the GSN program

- **December 2003**
  - EPA conference with OEMs representing four industries
- **January 2004**
  - webcast for Office Furniture industry group
  - decision by Steelcase to participate in the GSN pilot program
- **April 2004**
  - list of supplier nominations for Office Furniture industry pilot sent to EPA
  - invitation from Steelcase to supplier nominees
- **May 2004**
  - webcast for Steelcase suppliers
  - first supplier acceptance
- **June 2004**
  - first supplier GSN review

# Letters were sent to supplier “nominees” ...

Dear <NAME>:

We have nominated your company to participate in a pilot project aimed at improving your overall profitability, business and environmental performance. The Green Suppliers Network (GSN) is an innovative collaboration between the Environmental Protection Agency and 360vu, the National Accounts organization of the NIST Manufacturing Extension Partnership. Several major US OEMs, including Steelcase, are participating in the GSN program, which offers a heavily discounted Lean & Clean review of a selected manufacturing process at your manufacturing facility. The program is administered through the 360vu nationwide network of certified centers, including The Right Place in Grand Rapids, Michigan.

The GSN Lean & Clean Manufacturing review is designed to help manufacturers such as yourself make continuous improvements in your environmental and business performance, all of which go toward making you more competitive in the global marketplace. This pilot uses a proven Lean and Clean manufacturing approach to foster bottom-line improvements by optimizing material efficiency and process flows throughout your operations.

If you decide to participate in this special GSN review, you will receive:

Transformational Planner™ – a measure of your key performance metrics against Best in Class companies;

Value stream and Process Stream maps of a selected process in your facility;

A Lean & Clean operational assessment; and

A final report with an Opportunities Analysis and recommendations for improvement.

A 360vu Lean & Clean review typically costs \$7,000 plus expenses. However, during this pilot project, the EPA will discount \$2,500 of that cost, making your initial out-of-pocket cost \$4,500 plus expenses.....

## We want to welcome you to this Webcast!

Here is some quick background information.... The Office Furniture Industry has been given the opportunity to participate in this pilot Green Supplier Network program and to identify key supply partners who may benefit from it. Steelcase is excited to have this opportunity to nominate key supply partners!

The reason we have nominated you is because we feel strongly that our future depends upon “getting LEAN” – this is both with our internal operations and through our entire supply chain. The purpose of the program fits with our internal company goals – to improve overall profitability, business and environmental performance.

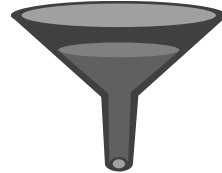
We don't often get the opportunity to work on improving profitability at the same time with improving environmental performance. We have learned from some of our internal LEAN initiatives that these two issues DO go hand in hand when we talk about eliminating waste from our operations.

We look forward to learning more of the details ourselves during today's webcast. This is a voluntary program and we encourage you to seriously consider participating



## How did we choose suppliers to nominate?

The most time-consuming phase of the process for us.



How can we choose only 10 suppliers from a starting point of nearly 1000?

We chose to focus on small businesses eligible for EPA's \$2500 cost buy-down.

We directly involved our buying teams -- the "relationship owners" who work with the suppliers.

We positioned the invitation as we saw it -- a "win-win" and conveyed our enthusiasm.

## What happened next??

- Since the reports are confidential, specific information is shared with us at the discretion of the supplier.
- Results are seen by Steelcase in aggregated form for the entire Office Furniture Industry pilot. Total recommended cost savings are shown for a minimum of five suppliers.
- Suppliers have the option to engage our in-house lean team for additional assistance with general lean training and running kaizen events.



## What is the benefit for the OEM?

### How does Steelcase benefit?

*We get a leaner, stronger supply base.*

*This translates to greater supplier longevity and the potential for more cost-effective and environmentally-friendly purchasing.*

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  SEPA

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# Where do we go from here?

## Next steps for the GSN program for Steelcase....

- How can we tie it to in-house programs to “lean” our supply base?
- How can we tie it to our material assessment efforts to continue to develop the most environmentally-responsible products?
- How can we expand the effort to our suppliers throughout the U.S. and internationally?



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# Invitation from OEM

- Letter from OEM's Supply Chain department
- Webcast with EPA, our OEM, and GSN representatives
- Internal reviews whether to participate
- Formal acceptance by H&L Advantage



# GSN Assessment - Lean and Clean Review

- Scheduled on-site review, workshop, and training
- Met to discuss which production process / product to focus on
- Current value stream of pertinent production lines
- Future value stream of pertinent production lines
- Various improvements identified and highlighted
- GSN assessment completed; report provided showing waste and cost reduction opportunities



# H&L ADVANTAGE

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## Green Suppliers Network *Lean & Clean Review*

performed and reported by

**Richard Fleming & Bill Stough**

*of the*

**Right Place Inc. / MMTC-West**





## PROFILE

Location:

Grandville, Michigan

Products:

Contract Office Furniture Products  
Injection molding & product assembly

Production Sales:

Number of Employees:

Hourly	XX
Salary	<u>XX</u>
Total	XX

Customers:

Primarily Office Furniture Industry

Facility Size:

XXXXX square feet

Equipment:

XX molding machines  
XX sonic welders  
Assembly stations

Inventory:

\$ XXXXXX

Inventory turns are at XX

# 5S Activities - The First Step Toward Implementation

- Sort
- Set in order
- Shine
- Standardize
- Sustain



# Kaizen Training - The Second Step Toward Implementation

- Continuous improvement - eliminate waste
- Enlisted the assistance of OEM for kaizen training
- Conducted individual kaizen events for production lines  
which support the selected process / product
- Instituted appropriate improvements



# Results

- Cleaner, better organized plant
- Reduction of Work in Process
- Decreased storage requirements
- Increased manufacturing space
- Remarkable awareness of our employees' capabilities



# Future Plans

- Expand lean manufacturing principles to entire operation
- Increase manufacturing capabilities
- New equipment, new processes
  - Installed new transformer to support more efficient power usage
  - Investigate more environmentally-friendly chemicals for chillers
  - Investigate new hydraulic oil recycling / reuse opportunities
  - Investigate more recycling opportunities



**GREEN SUPPLIERS NETWORK**  
**BUSINESS SURVIVAL WHEEL**

