

NEWS RELEASE



Lean Learning Center

40028 Grand River, Suite 300

Novi, Michigan 48375

www.leanlearningcenter.com

FOR ADDITIONAL INFORMATION:

Contact Nancy Lesinski

Lesinski & Associates

248-709-3040 tel

248-540-1356 fax

nancylesinski@sbcglobal.net

For immediate release

RSR Corporation Implements Lean Manufacturing to Eliminate Waste from its Recycling Business

Novi, Mich., Nov. 2, 2005 --- Battery recycling company RSR Corporation -- with headquarters in Dallas and facilities in Los Angeles, Indianapolis and Middletown, NY and over 600 employees -- is successfully implementing a lean transformation program under the guidance of the Lean Learning Center (Novi, Michigan), a leading provider of lean curriculum and consulting. Initially launched in 2003, the program is paying off. Within the first five months of 2005, the Indianapolis facility alone had achieved savings of \$220,000. Savings came from rethinking the way operations are conducted by the company. For example, by developing a way to use recycled water on its rotating sieve in the Battery Recycling department, RSR has been able to save \$4,000 per month. And, by experimenting with different sand filter mediums, the Water Quality Department discovered a way to switch to a new filter, saving the company \$8,784 to date.

Additionally, a corporate-wide paperless purchase order process was analyzed where it was realized that the old "paper" PO process cost \$42 per transaction; the new paperless way, \$12. Based upon annual volume, this could result in savings of \$850,000.

Recycling everything from the lead components to the polypropylene plastic cases, RSR is dependent upon the nominal growth (about 1% per year) of the battery industry. "In

order to survive, we had to get better,” says Bob Finn, RSR Corporation CEO. “This is about job preservation.”

To start the lean transformation program, Finn sent a group of five high level vice presidents representing a combination of responsibilities to the 5-day Lean Experience program at the Lean Learning Center. Here they learned the rules, tools and philosophy of lean manufacturing systems and experienced lean from basic concepts to hands-on applications, working with the traditional tools of lean manufacturing such as standardization, waste elimination and process redesign.

Taught at a dedicated facility tailored to adult learning, The Center’s methods of teaching represent a distinct departure from the norm, says Lean Learning Center partner Jamie Flinchbaugh. “We offer an unique physical environment that encourages creativity with lean concepts taught through discovery, simulation, case study, peer coaching, personal action planning, role playing, and journaling.”

After attending this program, the RSR group all came back believing that lean could positively impact their business. The next step was to figure out how to take what they learned at the Center back to the plant floor.

A committee was assembled at the corporate office to develop a set of ideal state goals and develop the program, which has come to be known as the RSR Journey To Excellence (JTE). Each facility was then assigned to take these ideal state goals and adapt them to their particular environment. There is a core lean team with an assigned leader at each facility and a designated Lean Master. Today, every RSR employee is required to go through Lean Manufacturing Training classes taught by the Lean Master. Additionally, to date, over 100 RSR personnel have been sent to the Lean Experience.

The Lean Learning Center also pitched in on the on-site training by bringing simulation exercises to the plant, so that every employee could benefit from a hands-on

exploration of lean. Additionally, the Center helped RSR start Lean Learning Laboratories, which provide a way to learn lean in bite-size chunks in selected areas.

To keep the program momentum, RSR has monthly/and or quarterly JTE Reviews, where they discuss issues and bottlenecks that are keeping the company from reaching its ideal state. Although it is never easy to teach an old dog new tricks, Finn says employee buy-in is pretty high. Since starting this program, the company implements about 65 percent of employee suggestions.

“What people need to understand about implementing and sustaining a lean transformation program like this is that it does not happen overnight,” affirms Finn. “It takes perseverance and a bit of courage. Take that first step and if things go bad, then learn from it. The mistake is to look behind you and say I can just turn around and run back down that hill and everything will be just like it was. Eventually the market will turn on you or the business will not survive because you’re just not heading to a higher level.”

End

CAPTION IND STORAGE RACK:

Two years ago, RSR’s kettle refining tools were stored/hidden in tool boxes. Today, after implementing lean thinking and tools, they are stored on the skimmer attached to the kettle.

CAPTION BATTERY WRECKER:

By implementing a Lean Learning Laboratory in the Battery Wrecker Department, RSR was able to implement and learn “Lean” in bite-size chunks and then take this knowledge to the rest of the facility