

CRAFTING SUCCESS THROUGH INVENTORY MANAGEMENT

ABOUT EARLYWOOD, LLC. Earlywood manufactures wooden kitchen utensils that are highly functional, yet beautiful, and of heirloom-quality. A one-man shop, the founder started woodworking as a hobby in college, then as a side job, but always in preparation for when it would become a thriving business. By the time he quit his day job as an industrial designer, he had set up a website, designed products, picked out woods, and printed the first marketing materials. Based in the inspiring setting of Red Lodge, Montana, he began selling products online, at craft fairs, and to a few select wholesalers.

THE CHALLENGE. Earlywood's founder needed to optimize his time to focus on business growth. Assistance from the Montana Community Development Corp (CDC) helped him move from his garage into space at an existing custom wood furniture shop, but he needed help applying Lean efficiencies. Inventory was in two locations, and the owner spent a lot of time going between the two to scan for materials. Montana CDC put him in touch with the Montana Manufacturing Extension Center (MMEC), a NIST MEP affiliate, supplying small grant to offset some of the costs.

MEP CENTER'S ROLE. During their initial site visit, experts from MEMC identified a system to manage inventory for Earlywood's multi-step production process. They worked with the owner to create a one-page plan showing each step, set-up times, and parts storage, spending time evaluating batch numbers and changeover areas to optimize for Earlywood's unique situation. MEMC used a capacity analysis tool to establish a productivity measure based on dollars per eight-hour day. The spreadsheet-based inventory model considers customer order patterns and product flow, requiring inputs for accurate decision making.

As part of the plan, MEMC helped Earlywood implement a Lean Kanban replenishment system. The owner reported that the two-bin system is working perfectly, resulting in zero parts shortages and the company is meeting on-time delivery. With the inventory management system in place, Earlywood saved costs. MEMC recommended the company hire an additional employee, freeing up more time for the owner to promote the product.

"When I would call on phone, [MMEC] understood what I was talking about with very little explanation—where I was going, and where I needed to go. MMEC is outstanding in that aspect—experts in the field."

-Bradley Bernhart, Owner

RESULTS



Hired 1 new employee



\$5K retained sales



Zero parts shortages



\$7K in cost savings

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