

# Lean Practices Bolster Bottom Line at Terra Nova Trusses



By **Todd Drummond, Owner**  
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SUNAPEE, NH—Whether your operation is large or small lean manufacturing will give you the results you want. Terra Nova Trusses, owned and managed by Denis and Frank Galway, is a small truss manufacturer in Mount Pearl, Newfoundland, Canada. In 2006, when the company sought better methods for truss manufacturing they hired me for a one-week consultation. One year later the results I provided them have created a significant gain to their net profit. Better order-processing efficiency has allowed greater sales volume and has decreased direct-labor man hours.

Denis says, “I thought the best practices based on lean manufacturing principles that Todd showed us really made a difference. The amount of information he gave us during his initial consult was enormous. We implemented what we thought we were comfortable with over the past year and found that it made a real difference—so much so that when we decided to look into future equipment investment we brought Todd back to give us additional advice.”

Denis and Frank’s results are typical. I gave them a final report with suggestions for lean manufacturing best practices. I taught them everything they needed to know but they did not

(again, the Houlihan method).

Frank and Denis wanted an effective method of measuring their truss production and a fair incentive program for their shop employees. Time standards are the only effective way to monitor and reward the shop employees. The time estimations I provide have been developed for different equipment types and include the set-up and run/build time for the cutting and building of trusses.

Most labor estimates truss manufacturers use are based on average or historical production rates. However, using these production rates for day-to-day truss production is a poor measure of actual truss production. By using the time standards I gave them Frank and Denis were able to give each build team (based on the number of crew members) an expected time allowance for the set-up and building of trusses. They could also implement a time allowance for cutting activities. When shop crews are being closely monitored most manufacturers see an average 42% gain in truss production.

When Denis and Frank brought me back to their operation they wanted unbiased advice on equipment types. They were ready to invest in increasing their efficiencies and they knew that I had actually worked with most of the equipment types in our industry. Because I do not make commissions on equipment sales my customers know I have their best interests in mind when I advise them on which system and processes will best fit their needs.

Too often, companies invest in new equipment and fail to see the gains they were promised by the sales person. Most of the time failed gains are the result of poor system processes and a lack of understanding how to change current practices. I was able to show Terra Nova how to implement the different equipment types. We discussed at length both used and new equipment. In the end they felt good about the equipment in which they chose to invest.

One last need in the efficiency puzzle for Denis and Frank was the ability to track labor and efficiency of their new practices and equipment. They could either track the information by hand or use software tracking. In the end, they chose my truss shop labor-tracking software. This software provides real-time reporting of estimated man hours versus actual man hours, estimated labor cost versus actual costs and incentive payout information so employers can reward only the crew members who actually deserve to be rewarded. (For more information, see [www.todd-drummond.com](http://www.todd-drummond.com).)

Are you ready to implement the best practices based on lean manufacturing principles? Whether times are good or bad lean manufacturing best practices will have a significantly positive impact on your bottom line.

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**Denis and Frank Galway, Owners**  
**Terra Nova Trusses**

implement all suggestions during the first year. Most manufacturers take six to twelve months to implement the new practices. What Denis and Frank did implement made a significant difference to their bottom line and they hired me again to implement time standards (also known as the Houlihan system) and to provide expert knowledge for equipment investment.

During an initial consultation, I provide each of my clients with time estimations (reasonable expected skills, scheduled units and man minutes) for roof-truss manufacturing. These time standards are then input into truss engineering software to estimate the labor required to manufacture the wood trusses. Once the data is input and calculations are complete the time estimations can be used for proper truss production scheduling, truss pricing and time standards implementation