



61st Advanced Manufacturing Forum

Held April 12-13, 2007 at Toftrees Conference Center and Resort

Sponsored by

The Center for the Management of Technological and Organizational Change

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Operational Alignment and Continuous Improvement at Batesville

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Batesville Casket Company

Since 1884, Batesville Casket Company's commitment to providing flawless, personalized products and exceptional service to its customers has made it the leading manufacturer of metal and hardwood burial caskets, cremation urns and containers, and other death care accessory products. Its Batesville, Indiana plant was recognized as an *IndustryWeek* Best Plant in 2006. Batesville's mission is "to help families honor the lives of those they love".

Approximately 2.4 million people die every year in the United States; 600,000 are cremated and 1.8 million are buried. Batesville, a subsidiary of Hillenbrand Industries, Inc., maintains a 40-45% share of this market. Doug Kunkel offered key insights into Batesville's supply chain, manufacturing and distribution practices, and its just-in-time demand pull system.

With five mixed-model manufacturing facilities (four in the U.S. and one in Mexico), what Kunkel found when he took over operations two years ago were differences in policy deployment objectives, continuous improvement objectives, and manufacturing bonus programs, to name just a few. The first task was to align all of Batesville's manufacturing plants with a common vision that focused on where the company wanted to be three years into the future. The vision was based on strategies and initiatives for seamless synchronization throughout its manufacturing and supply chain processes and development of high value through flawless products and delivery. The mission was to pursue safety and quality while focusing on delivery, development of top talent, and total cost improvement.

Alignment throughout the plants and throughout all levels of plant operations, requires continuing diligence. Batesville is at the point now where all company, operations, and plant policy deployments and results have the exact same measurements covering safety, quality and cost. Every plant, every individual associate's quarterly and annual performance review is reviewed using these same measurements. Actual performance is measured monthly; if a target is missed, a root cause analysis is performed to find out why. Kunkel reviews performance measures for his entire group of plants, every plant reviews performance measures for its operations, and operations reviews performance measures for each associate.

Continuous improvement (CI) is a way of life at Batesville and its key CI tool is the Hillenbrand Business System, modeled around the Toyota Production System and related principles. Batesville started intensive CI activities in the mid-1990s, initially using many external resources, bringing people in from, and sending people to, Japan. This was a critical factor in the beginning, and helped instill the mantra of CI in top and middle management.

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And the training was time-consuming: 12 to 14 people were taken out of their full-time jobs and placed in CI training for 12 to 14 weeks. This training is still done today, but for five to six week periods, for all associates at all levels. While Batesville feels that CI is ingrained in its culture, people are still taken out of their jobs for training and rotational job development assignments.

CI for Batesville concentrates on value stream mapping, 5S, daily continuous improvement tracking analysis, benchmarking, and “teacher-teacher” coaching through their Advanced CI Training program.

Using safety, quality and cost measurements, Batesville has seen consistent and core improvement since implementing CI in 1996-97. Its operations recordable incident rate in 1999 was 13.2. In 2006 it was 3.4. Quality improvement trends continue to grow approximately 10 per cent for year-to-year improvements. Recently, both internal and external “customer disappointments” began to be measured, as the company seeks broader feedback on its operations. Eleven years after implementation, the total cost of a casket is down (benefits, cost of materials, including Batesville’s many petroleum-based products and fuel costs for its own 600-truck deliver fleet).

Every person at Batesville comes to work everyday to help families honor the life of someone they love, not just to make a casket or a box. Batesville’s rich heritage was founded on superior products, quality and service, and its exceptional execution and efficiency continue to be core signatures of the Batesville culture.