

## **BAE Systems Unit in Merrimack, New Hampshire, Receives 2007 Gold Medal for Excellence in Lean Manufacturing**

**Boston, MA - May 4, 2007-**

BAE Systems' Advanced Composite Manufacturing unit in Merrimack, New Hampshire, is a 2007 Gold Medal recipient of the Northeast Shingo Prize for Excellence in Manufacturing. The Prize is administered by GBMP, Inc. at the College of Management at the University of Massachusetts.

Advanced Composite Manufacturing is a 36,000 square foot multidiscipline manufacturing and program support facility employing 65 people. The Merrimack operation manufactures and supports high-quality, high-reliability composite antennas utilized on multiple aircraft platforms.

Dubbed the "Nobel Prize of Manufacturing" by Business Week, the Shingo Prize is recognized as one of the premier manufacturing awards and recognition programs in North America for the practice of lean manufacturing, a methodology that eliminates waste from business processes. BAE Systems is one of two 2007 Northeast Shingo Prize awardees. The company received the highest score ever awarded to an applicant to the Northeast Shingo Prize and is the first company in New Hampshire to receive the Gold Medal,

The Northeast Shingo Prize recognizes increasing levels of lean implementation through a four-tier system: Bronze, Silver, Gold, & Platinum. Eight other state-level awards are committed to carrying on the mission of the North American Shingo Prize throughout North America.

BAE Systems is a global defense and aerospace company, delivering a full range of products and services for air, land, and naval forces, as well as advanced electronics, information technology solutions, and customer support services. BAE Systems, with 88,000 employees worldwide, had 2006 sales that exceeded \$25 billion.

The Lean transformation in Merrimack began in 1998 with an assault on waste throughout the process stream from incoming raw materials through delivered customer product. The result was improved material and information flow in all aspects of the operation. For example, Lean initiatives with suppliers have resulted in a savings in excess of \$29k a year and receiving and inspection lead-times of three weeks were reduced to 3 days. The introduction of bar-coding with 75 percent of the ACM suppliers resulted in a 40 percent reduction in associated receiving costs. Elsewhere in the operation 13,000 system transactions were eliminated and physical flow reductions were reduced by 14,000 feet. ACM has achieved a 66 percent reduction in scrap, a 25 percent reduction in customer lead time and 99.7 percent on-time delivery. These and many other successes achieved by the Advanced Composite Manufacturing unit are indicative of the potential world-class results that can be achieved through the Shingo model.

"We have been involved in the National Prize for many years and are thrilled to be the administrators for the Northeast Prize," said Bruce Hamilton, President, GBMP and administrator of the Northeast Shingo Prize. "We are so pleased to have BAE Systems win the first Gold award in New Hampshire and share their model for continuous improvement and world-class results with the rest of the Northeast. Shingo Prize recipients have differentiated themselves for years across North America, and the time has come now for the manufacturers of the Northeast to be proud of their accomplishments. Especially where our economy has wavered during the past three years, here is an opportunity to celebrate the successes and highlight the excellence that exists right here in our region. We congratulate all the employees of BAE Systems' Advanced Composite Manufacturing organization for building and sustaining a strong, world-class manufacturer in New Hampshire and on a job well done."

BAE Systems will be officially presented with its Northeast Gold Shingo Prize at the third annual *Northeast Shingo Conference Awards Presentation Banquet* on Thursday, October 4, 2007 in Boston, Massachusetts. The 2-day conference, starting on October 3<sup>rd</sup>, will highlight how industries in the Northeast are implementing lean manufacturing and features many nationally renowned lean leaders. For more information on the conference or to register, please call Chris Martin at (617) 287-7648, or visit [www.neshingoprize.org](http://www.neshingoprize.org).

Created in 1994 within the College of Management at UMass Boston, GBMP has helped hundreds of manufacturers reduce costs and remain competitive in this global economy. GBMP provides expertise in Lean manufacturing and Six Sigma through education, training and shop floor implementation of these tools. GBMP administers The Northeast Shingo Prize for Excellence in Manufacturing. GBMP's staff includes five Shingo Board examiners and two Vice Chairs. For more information, please visit [www.gbmp.org](http://www.gbmp.org).